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**Business Crime in Greece:  
Employment Offences in third sector companies**

A thesis submitted to Middlesex University in partial fulfilment of  
the requirements for the degree of Doctor of Philosophy

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## ABSTRACT

In current times, with business as the focal point of society in which economic strain is prevalent, it is important to be able to investigate the dysfunction and deviance that can arise as a result, since their effects will be felt in all aspects of modern social life. Upon this assumption, the current research investigates the influence of business crime, with a specific focus on the offences committed by businesses against their workforce over employment legislation. This research is delimited to companies of the third sector of the economy, commerce and financial services in particular. Entrepreneurship, business practice, employment legislation, the regulatory system and economic strain and crisis are all examined in order to investigate the phenomenon in Greece. The fieldwork consists of secondary statistical analysis of reports from the relevant regulatory offices and qualitative interviews with four target groups: employees who are victims of business crime at the work place, inspectors, trade union members and business managers and owners. The analysis follows a macro-meso-micro focus of analysis in order to provide a spherical illustration of all factors influencing deviance. Power imbalances within the capitalist system of production influencing social structures and imbalances in relevant relations of agency agents and the state, community and society are significant analytical elements of business deviance. Unpaid enforced overtime and illegal employment constitute the two prevailing offences and create a work environment of insecurity and informality. Structural factors like state-promoted entrepreneurship, changes in legislation, decreased collectivity and economic strain play an important role as do low reporting and conviction rates. The role of the state is a key element linking the levels of analysis and its further functions are instrumental in shaping legislation, systems of control, and perceptions of harm and impact of crime. Additionally, the state can act as a facilitator to deviance by participation in criminality for profit. The conclusions of this study can enhance an interest in business crime, modern criminological research in Greece and can additionally inform policy and practice.

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## List of Abbreviations

ADEDY	The Union of Public Servants of Greece
AGP	Annual Gross Product
BMRB	British Market Research Bureau
BSA	British Sociological Association
BSC	British Society of Criminology
ECB	European Central Bank
EKKE	The Hellenic Centre for Social Research
ELKEPA	Hellenic Centre of Productivity, 2 <sup>nd</sup> name.
EMAR	Employment Market Analysis and Research
ESYE	The Organisation of National Statistics, Greece
EU	European Union
GDP	Gross Domestic Product
GSEE	General Confederation of Employees, Greece
IMF	International Monetary Fund
INE	Institute of Employment, Greece
ICAP	Intercapital plc
KEPE	Hellenic Centre of Productivity, 1 <sup>st</sup> name.
OAED	The Hellenic Job Centre
OASE	The Hellenic Union of Insurance Sector Employees
OOSA	Object Oriented Systems Analysis
OTOE	The Union of Hellenic Bank Employees
PASOK	The Pan – Hellenic Socialist Party
PAME	The Trade Union Front

POL	The Hellenic Federation of Accountants
SEKE	Socialist Workers Party of Greece
SEPE	The Employment Inspection Unit
SEV	The Association of Greek Industries
SME	Small and Medium Sized Enterprise

## SUMMARY

The current study is an investigation of business crime in the national economy and society of modern Greece. It examines violations of the employment legislation which occur in the work environment of businesses in the third sector of the economy, focusing upon financial and commercial services in particular. The third economic sector has become dominant during the last thirty years (Spyropoulos, 1998), and its prevalence has informed the focus of the project.

The aim of the project is to capture and analyse the nature of business crime against employees in the Greek work environment. Its purpose is to investigate the nature, extent, effects and impact of business criminality against employees in Greece. The key research question, then, has been formulated as follows: "How can the occurrence of business crime over employment legislation in Greek third sector companies be analysed under a marxist critical criminological scope with focus on the role of power imbalance and relations?" The main question uncovers the political nature of the project, a fact underlined in more detail within the thesis. This influences the theoretical aspect of data analysis. Critical criminology is employed as the dominant tool for this analysis. This perspective utilises a variety of methods in order to offer a critique of law and order, the criminal justice system and various types of deviance in modern capitalist societies. It is a perspective that arises from a general concern regarding unequal distribution of wealth and power within society.

The relevant research conducted in Greece is quite limited. The first to write about economic and business crime were N. Kourakis (1974) and Ch. Dimopoulos (1988). The field within white-collar criminality that has been the most investigated in Greece is corruption (Statheas, 2000; Koutsoukis, 2000; Alexiadis, 2000). Further economic crimes and fraud have also been investigated. The current image of business crimes in Greece is given again by the latest work of N. Kourakis (2000, 2001 - Kapardis, 2001) who observes the rise in business crimes in modern Greece. The two most important and socially damaging forms of this type of criminality are, as he argues, the non-compliance of companies with the law (especially employment law) and corruption of politicians and public officials. The principle business offences against employees identified in Greek literature concern health and safety regulations, especially in the industrial sector (Tenekidou, 1999). The above mentioned research projects carried out in Greece sketch a fragmented and theoretically vague paradigm

of business crime theory and a vague methodology. Moreover, research related to crime against the workforce is both limited and dated. All the above mentioned projects have, of course, made the important link between such offences and the economy within which they operate, but they have not presented a complete picture or analysis of the phenomenon. This research, by collecting both quantitative and qualitative data, and by including all relevant actors as participants, aims to provide the missing link in understanding these crimes thoroughly and linking theory to research.

The current research project has employed a mixed methods strategy in order to better approach the phenomenon under investigation. This is an appropriate methodology to explore the multi-dimensional aspects of the relevant white-collar crime phenomena (Punch, 1996). The primary plan of the research strategy used is as follows. Firstly, qualitative methods that include semi-structured interviews based on issues identified from the literature but of qualitative form in order to allow in-depth investigation. Secondly, quantitative methods that include collection, analysis and interpretation of existing statistics from all relevant public sector agencies and the courts. This secondary quantitative data will assist in the effort to give a full picture and analysis of the contemporary phenomenon. Concerning sampling, the target group of this project consists of four main groups of people: employees that have been victims of business crime in their workplace; trade union members and representatives of employee unions that deal with the problems of the workforce; inspectors and other officials of the public sector agencies that regulate companies and finally business managers and their associations. This multi-group sample includes the opinions and experiences of all related parties as this will give a complete illustration of the phenomenon and of all its different aspects.

By investigating the current condition of business and work in Greece, a deeply criminogenic environment has been discovered where all businesses will offend when they can. Illegal employment (under no individual contract and without social insurance) is widespread, not only in the third sector but across the whole range of the national economy. Unpaid and enforced overtime is the prevailing offence. Other frequent offences are unpaid benefits and insurance contributions, failure to offer annual leave and health and safety violations.

The difficulty facing the national economy over the past decade, with low productivity rates, high levels of unemployment and general insecurity – further exacerbated from the current financial crisis - play a significant role in deviance. The relevant regulatory authorities will usually take matters seriously when an employee reports a case, but their lack of staff and expertise makes them unable to discover more cases and grasp a part of the hidden number of offences. Loopholes in legislation keep conviction rates low. The easiest cases to convict concern social insurance tax evasion – because it concerns state income – and health and safety related offences – because they are very evident and difficult to hide. The different perception and control of economic and social regulations is important in the system of control together with the intention of not harming business growth and the de-criminalisation of the illegal behaviours in the collective consciousness. Moreover, state officials can deviate too and co-operate with local or national capital in gaining power and resources. The theories of state corporate crime offer reflection on this phenomenon as linked with corruption and clientelist relations.

The needs of national capital are incorporated into state interventions and organizational function as to diffuse the 'correct' ideological elements to the national workforce and population. Thus, there is no stigma attached to offenders but due to power imbalance and asymmetry within employment relations, the stigma remains on the reporting employee's side in terms of intercommunication of sector based employers and career development. Finally, the end of the line for offending employers that enter the system can be a criminal prosecution since the punitive element is still included in formal procedures. Nonetheless, a financial fine is the most frequent type of sanction for employment offences. Nevertheless, some adverse cases can result in imprisonment or closure of business.

This system only controls the phenomenon but does not offer a successful solution and the current state of low unionisation undermines the political power national employees have to form a collective reaction to the problem. On the other hand, the Greek working class is not only exploited, in classical Marxist terms, but also repeatedly victimised, as defined by employment legislation. According to the law but also notions of social harm, one might even say that the character of the relations of production in modern Greece is of an acutely exploitative but also criminal nature.

Finally, the combination of qualitative and quantitative methods has produced knowledge and methods for future research as it explores a complex of all related

actors involved in this type of deviance. The current work adds knowledge in order to try and partially fill the gap in existing research in Greece and contribute to this normally under-researched topic at an international level. The project also has produced added value in the effort to inform policy and practice over business crime and employment offences regulations in Greece. It should be noted that the data and findings from the study have been disseminated in the form of presentations (posters and papers) in the following conferences:

- Ioanna Charalampous (2011) A critical investigation of the measurement and regulation of employment offences in Greece - examining the official statistics and structure of the system of control. Common Study sessions in Critical Criminology. Democritus University: Athens.
- Ioanna Charalampous (2011) The Criminalisation of Employment Relations: The case of the Greek work environment – Poster Presentation. Summer Conference, Middlesex University: London.
- Ioanna Charalampous (2011) A Critical analysis of the legislative framework of the regulation of business crime: The development of laws in Greece. Common Study sessions in Critical Criminology. University of Ghent: Belgium.
- Ioanna Charalampous (2011) The Criminalisation of Employment Relations: The case of the Greek work environment – Poster Presentation. American Society of Criminal Justice Sciences Annual Conference 2011: Toronto, Canada.
- Ioanna Charalampous (2010) Researching sensitive topics in local culture - An investigation of business crime in the Greek public sector, trade unions and business world. European Society of Criminology Annual Conference: Liege, Belgium.
- Ioanna Charalampous (2009) Business Crime in Greece – Employment Offences in third sector companies. Common Study sessions in Critical Criminology. Erasmus University, Rotterdam.
- Ioanna Charalampous (2009) Business Crime in Greece – Employment Offences in third sector companies. British Society of Criminology Annual Conference 2009: Cardiff, Wales.
- Ioanna Charalampous (2009) Business Crime in Greece – Employment Offences in third sector companies – A methodological Approach. European Society of Criminology Annual Conference: Ljubljana, Slovenia.



- Ioanna Charalampous (2009) Business Crime in Greece – Employment Offences in third sector companies. Middlesex University Summer Conference 2009: Hendon.
- Ioanna Charalampous (2006) Corporate Crime against employees in Greece – Poster Presentation. Middlesex University Summer Conference 2006: London.

## Chapter One

### **INTRODUCTION: Business Crime in Greece- A critical analysis of power and relations in employee victimisation over employment legislation.**

**Identifying the topic and aims of the study: Business Crime in Greece – A first attempt at definition, investigation and theoretical framework.**

#### Presenting the research problematic

*‘...to be a social theorist is not simply to seek out the world that is; it is also to reach out for the world that might be....not simply to describe and analyse the world that is; it is also to pronounce a judgement on it...all social theories involve some diagnosis of human problems and all embody some therapy for them....’ (Gouldner, 1965:197)*

The specific topic of investigation of this research project is business crime in Greece, a current social problem facing the country that is in its worst since the crisis of the military coup in the late 1960s. Raab and Selznick (1959) define a social problem as ,

*‘a problem in human relationships which seriously threatens society itself or impedes the important aspirations of many people...it exists when organised society’s ability to order relationships among people seems to be failing; when its institutions are faltering; its laws flouted; the transmission of its values is breaking down and the framework of its expectations is being shaken’ (cited in Bottomore, 1972:331).<sup>1</sup>*

As it is my intention to look at one of Greece’s social problems, the research problematic focuses on an attempt to describe and analyze the role of power imbalance and unequal relationships in business practice and work environments that creates deviance. The focus of the research will be violations of employment law occurring in third sector companies, particularly in commercial and financial services. The third sector was chosen as it predominates in Greece and financial and

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<sup>1</sup> Social problems do not appear full-blown but exhibit a course of development in different stages. A social problem thus is a dynamic stage of becoming and passes through the natural history stages of awareness, policy determination and reform (Kennison and Goodman, 2008). Lemert (1951) focuses on the three stages in development of a social problem: awareness, policy determination and reform. Spector and Kitsuse (2000) address what happens to a social problem following implementation of policy with the application of a four-stage model.

commercial services are prevalent (Dedousopoulos, 2002). Thus, the project is going to examine the operation of the most common type of Greek enterprise.

More in specific, the current project will argue that the imbalance of employment relations that has crystallized over the past decades in the legislation, the work environment and business practices of Greece has lead to a serious increase of business deviance - one important dimension characterizing the current financial crisis the country is undergoing – and a decline in working conditions for the population. The investigation will discuss how modern Greek business operates and how modern Greek employees work through a criminological lens.

It is interesting to read Snider's (1993) point, talking about 'Siberia' in the field of white collar and business crime. While business crime itself is increasing globally, its academic study has been declining rapidly over the years (Robinson, 1999). Writers such as Snider (2000) and Slapper & Tombs (1999) argue that the task of exposing and documenting business crime is impeded by a crisis of knowledge. This means that scholars are increasingly frustrated given the decriminalization of many business offences and the ability of companies to seal themselves off from outside scrutiny (Williams, 2008). Punch (1996) has noted that there are two places within academia where business crime is studied: business and criminological studies. This project's examination of business offences in Greece will be adding knowledge to the field and enhance outcomes and experience from outside the English speaking world where such topics first began to appear only a few decades ago.

### Key concepts and framework

Before the research question of the project is presented, it is useful to clarify the key concepts that will be useful in the argument and the analysis of the data. These are history, economy and the nature and role of work. The history of a social phenomenon can only be fully understood once the internal logic of the social system of which it is part has been fully articulated. History is neither a reconstruction of chronologies nor a process through which human actors constitute their world. It is the origin of a social phenomenon as deduced *a posteriori* from the logic of a social system (Godelier, 1973; 1977). The historical development of Greece after the war has been important in shaping its national economy, the role of the state and the

general political attitude of the population. Historical and developmental accounts shall be offered in various parts of the thesis in order to assist in explaining relevant findings and themes. In this introduction, reference to the national context in historical developmental terms will help the interpretation of the national political and economic environment where contemporary Greek business operates.

Another central concept is the one of work and its role and function in society today. The project is concerned with researching the character of the modern Greek work environment as regards illegalities and deviance compared with a lawful and healthy mode of work. Industries and markets are important elements in shaping work environments. Arguments on the importance of the role of work in society and in shaping people's lives derives from Jeremy Rifkin (1995). He notes the transformations which industries and markets have undergone and foresees that the nature of work will change, mainly due to great technological advancements. Together with other structural factors, they have led to a large rise in unemployment worldwide, a fact that equally applies to the Greek economy. He notes the enormous growth of the third sector of the economy, a reality for Greece as well, and underlines that the nature of work is changing, bringing about significant changes in society. Additionally, the importance of work within society and its changing character is underlined by Claus Offe:

*' ....it seems improbable that work, achievement and acquisition will continue to play a central role as a norm which integrates and guides personal existence. Nor does it seem likely that such a reference norm could be politically reactivated or reclaimed. Recent attempts to demoralise work and treat it as the central category of human existence must therefore be considered as a symptom, rather than a cure, of crisis...' (Offe, 1982:23).*

Under a criminological lens, the workplace is considered to hide several forms of criminal activity, often dressing up activities as acceptable business practice. Despite this fact, connections between crime and work have only partially been examined within criminology. There are various inferences that can be made between crime, work, employment and unemployment, but according to Box (1983), their relationship is neither straightforward nor causal. Crime at work is quite prevalent, according to Gill & Law (1988), where sometimes it surpasses crime in households. The 1988 British Crime Survey includes a chapter on crime at work, but the questions it posed were not repeated in the following years mainly due to the vague definition of such offences as criminal acts and the interest of the authorities in traditional forms of criminality (Davies et al, 1999). A general conclusion generated from the above is that the workplace as a location for criminal activity can be used to demonstrate the blurred boundaries between what is legal or illegal, work or

crime. These blurred boundaries of legalities and illegalities and the change of the relevant definitions is central for this argument especially concerning changes in legislation and perceptions of victimisation.

A critical analysis of the situation in Greece will be based regarding the role of many structural and other relevant factors that relate to the function of the economy - another important concept. The role of the economy is always dominant as it is the driving force of development and change in every social system (Althusser, 1978). For this research it is evident the economy is the framework where business operates and people work. All types of criminality, in the legal or illegal markets, are always a product of the society in which they appear. Unfortunately, white collar criminality has always been neglected as a distinct part of crime and of economic activity:

*‘...crime is an economically important activity or ‘industry’, notwithstanding the almost total neglect by economists...’. (Becker, 1968:170).*

Within the framework of the economy, the labour market is central when referring to employment relations and criminality. The labour market processes fundamentally explain power and welfare in society and imbalance in different forms of relations can shape the market and the deviance that arises from within it. There are at least three problems of injustice created by the labour market. Firstly, the character of the commodity is special; the individuals’ labour power is hired. Secondly, labour power cannot be stored and a day without work is wasted – unemployment is a problem unique to labour. This puts workers in a weaker position in relation to employers. The third problem is that labour markets differ from what constitutes fair markets in theory: agents should make exchanges on equal and fair terms. The agents in the labour market represent fundamentally different social categories. It is difficult to imagine a just and fair process of exchange. A fourth problem is that the position and inequalities in the labour market affect people’s places, lives, and inequalities in other markets and spheres (Sandberg, 1994; Ruggiero, 2000a). The above problems are issues created by the unequal distribution of power within capitalist labour markets and have influenced the shaping of relationships in the work environment. They can inform this analysis concerning relations of agency and agent; employer and employee in the different frames of legislation, the relations with the authorities and the state and in everyday business practice.

Moreover, the role of the state is another significant concept as it acts as regulator of business practice and deviance, mediates on issues of collective bargaining and can even present itself as deviant in cases of corruption and clientelism. For the purposes of this study a sociological approach is most useful in defining the role of the state. Poulantzas (1976) argues that the state is a cohesive instrument in the unity of a social formation and has several dimensions - economic, ideological and political. The guarantee given by the capitalist state to the economic interest of certain dominated classes cannot be seen *per se* as a restraint on the political power of the dominant classes. The struggles of the dominated classes impose this on the state. However, this indicates that the state is not a class instrument but rather a state of a society divided into classes. This is particularly characteristic of the capitalist state stemming from the specific autonomy of the political superstructure from economic power (Poulantzas, 1976). The role of the state as regulator will be thoroughly investigated in this study, as state officials and employment inspectors are one group of informants. Moreover, the imbalance between political and the economic power in Greece will be incorporated into the analysis as this can have an influence on issues of regulation – deregulation of business offences.

Finally, it is imperative when referring to the main concepts to be utilized, to focus on a definition of power and relations, as they are going to be the main analytical concepts and tools. Poulantzas (1978) defines power as the capacity of a social class to realize its specific objective interests. This concept has been utilised in order to analyse many different power imbalances in modern capitalist societies, not only class imbalance. Accordingly, social classes in Marxist theory are groupings of social agents defined principally but not exclusively by their place in the production process, i.e. the economic sphere (Poulantzas, 1974). It is appropriate for this project to follow a similar pathway in looking into power as related to class formations since the focus is on deviance found at the workplace where employment relations are shaped and shape the conditions of work. The imbalance of power into employment relations has a direct impact on modern work environments and the deviance found within them. In these modern frameworks of every day work in Greece, relations formed between actors characterised, formally or informally, by different degrees of power play an important part. Habermas, Gouldner and Baudrillard (cited in Koskinas, 1995) suggest that human society was born not only via economic activity but also as a result of the interaction and relations of agents based on production, consumption and further relations: Ideology and culture can have a significant part over which the ruling class must also exercise control. In this effort the State can facilitate the

balances or imbalances within a capitalist society in order to be able to provide social consensus.

### Research Questions, Aims and Objectives

The primary research question of this project is as follows: “How can the occurrence of business crime over employment legislation in Greek third sector companies be analysed under a marxist critical criminological scope with focus on the role of power imbalance and relations ?”

Below a set of questions is presented that describes in more detail the domains that the research is going to focus upon in order to more clearly identify the role of imbalance in power and relations and its role in business deviance and employee victimisation: What are the structural factors that can influence this type of deviance? What is the structure and function of the regulatory system and how does this influence business crime and its control? What is the extent of business crime of financial and commercial services in modern Greece over illegalities on employment legislation? How does the culture of the work environment and Greek business practice contribute towards employee victimisation and offending behaviour? What kind of social harm can this type of deviance produce?

The lack of definition and investigation of the phenomenon in Greek literature is the starting point for this study and the basis of the questions posed. The international situation of global capital that created new forms of employment and weakened collectivity and knowledge on employment rights keeps changing and the adaptation of Greece to this environment has contributed further to it. The mask of social character that business capital is wearing, while it could be cheating customers and employees out of many millions, is yet another element that poses an interest. Finally, the fact that the public is mostly unaware of the serious nature of this type of criminality and the social harm it can produce together with the lack of moral panic or folk devil in the media and public opinion over business crime makes the implementation of this project significant.

The serious gaps in national research on the phenomenon highlights the need for the research to be conducted as far as the extent, the deviance in the workplace, the

investigation of the regulatory system and the key methodological approach are concerned, as well as the role of structural factors and global capitalism and its crisis that have an application in the Greek reality have influenced the formation of the research questions. Additionally, the researcher's own knowledge of the national situation of business practice, working in Greece and the latest developments of the fiscal crisis and its effects – a peak of the economic deterioration that started three decades ago - have helped structure the questions. Finally, the need of a critical analysis rather than a positivist / policy related approach defines the main question of the study, and will inform the analysis of the data and is one of the key objectives of the project.

The main aim of the project is to develop intense knowledge on the phenomenon of business crime in Greece over employment legislation and provide an initial theoretical and conceptual framework in order to highlight the issues involved. Additionally, the set of research questions pinpoint additional objectives as so to be able to provide the above framework after the implementation of the research and analysis of the data. Firstly, to describe the phenomenon over its recorded extent as it has developed through the last decade. This objective is going to be met by collecting all relevant statistical reports on business offences from the public sector organizations that deal with the regulation of business crime and employment offences. Additional figures from annual crime statistics and court records will complement this secondary statistical analysis. The typology or typological themes of the relevant offences can also be presented, taken from the categorization that the authorities keep and from the legislation. A second aim is to investigate the national work environment in commercial and financial firms together with current business practice for the deviance and social harm they can produce. The interviewing process will assist with this where the experience of victimization in the workplace will be unveiled from the knowledge of relevant actors. The different target groups that will act as informants can give a multi-dimensional and more complete picture of the phenomenon in its current situation. These will refer to the experiences of employees/victims of business offences, trade union members, employment inspectors and even business managers. A third aim is to illustrate the role of the state as regulator and the effectiveness of the regulatory system currently in effect. In order to achieve this, in addition to the interviews with the above groups, conclusions drawn from the statistical analysis, recommendations from the legal team and publications of The General Confederation of Employees of Greece (GSEE) and publications of the authorities themselves will offer further insight. Another objective



is to offer analysis at the structural level as elements of social structure (political, class divide in Greece, the European influence and others) as well as other structural factors (legislation, unionization, competition and labour markets) that can influence business deviance without neglecting the everyday lived experience of victimization in the workplace and how this links with structure. The relevant reports of The Institute of Employment (INE) that have been collected are the most accurate source of information on structure and its influence on employment and workforce.

Methodologically, the main aim is to connect the micro and macro level of analysis that can provide a more intense and fully rounded knowledge of the phenomenon in its current dimensions. Data from the interviews of the multi-group of participants will help realize this together with the design of mixed methods as the main research design of the study. The identification of the role of the four target groups, their difference in perspective and significance within business offending and the links between them in terms of the formal and informal relations is an additional aim to be addressed via the data gathered and analysis offered. Finally, the last objective to be set and met is to develop a critical analysis of the data concerning the above themes utilizing the key concepts of critical criminology of imbalance in power and relations that can influence the current reality of crime and control. This will act as the key methodological approach helping to ground the argument, structuring the analysis of the data and the presentation of findings – as all key objectives link under this methodological umbrella of constructing an argument that unmask the current rhetoric and exposes issues of imbalance, injustice, exploitation and false consciousness. The decision on this methodological approach is based on issues of reflexivity and political choice.

Within critical criminology, Kramer (1989), writing on the movement against business crime, criticises criminologists for failing to reach out to wider non-academic audiences who are actually engaged trying to affect broad social change. The current project has actually included as informants all groups related with business crime. Feedback on the outcomes of the research is going to be offered to the informants and the public sector organisations that co-operated and provided the statistics. The findings of the study will further be presented as publications in national and international journals, and academic papers in professional and university conferences. This way, the research findings will reach a broad audience of relevant actors. Wallerstein (1979, in Tunnell, 1995) encourages social scientists to recognize the implicit political nature of their work:

*“I do not believe there is or could be such a thing as value-free social science. Every choice of conceptual framework is a political option. All good scholarship is polemic...The scholar who is not personally involved is the weaker for it as a scholar” (Tunnell, 1995:92).*

### Placing the topic in relation to Greek academic research

With regard to the advancement of theoretical knowledge and in relation to prior research, it is important to locate this study in relation to Greek criminology. A review of the varied writings in criminology in Greece, suggests that criminology is at an early stage in attempting to engage systematically and productively with political and public discourse on crime and criminal justice. The failure mainly lies in overcoming the inability of Greek criminology to be more relative to the national character of criminality and criminal justice policy (Lambropoulou, 2005). The national character of the criminal justice system comes in accordance with other European penal systems - a risk society with the current trend on a new penology based on the notion of danger. David Garland's (2001) influential account of contemporary “Culture of Control” describes modern penal practices as defined by the imposition of punitive sanctions. Communities are urged to take upon themselves responsibility for their own security. Employees are urged to do likewise by current changes in legislation, where, for example, workers must take responsibility for their safety and application of the relevant regulations to their work environment (Rose, 2000).

Criminological research in Greece is separated in interests, as there exist different trends within it, the legal being the dominant one and then the medical-psychiatric model. The sociological approach to deviance is the least developed as funds and academic departments are few. Research on issues of white collar and business crime in Greece is still underdeveloped. The term was initially introduced in national academia by Kourakis (1974) and Dimopoulos (1988) in the 1980s, but white collar offences remained uninteresting to scholars for another decade until researchers started to investigate issues concerning economic crimes, internet offences and identity fraud, environmental crimes and money laundering / organised crime links (Pavlopoulos, 1987; Zarafonitou, 1996; Lazos, 2000; Nouskalis, 2003). The growing interest of international academia in business crimes helped shape the national interest, as EU economic development programmes also did. The most popular topic

in research, however, was that of the character of the Greek state as regards clientelism and corruption (Statheas, 2000; Koutsoukis, 2000; Bitzilekis, 2001).

Studies directly relative to business crime and especially delimited to the offences occurring in the workplace or against the workforce have been neglected in Greek research. There have been, of course, a small number of projects conducted but their explanatory focus lies mainly on industrial and employment relations' analyses rather than having any criminological scope. Unemployment rates in Greece are important when referring to white collar, business and economic crimes and most of the projects implemented include it as their main focus (Vavouras and Manolas, 2001). A study that empirically examines the relationship between crime, deterrence and unemployment in Greece was carried out by Saridakis et al (2009) through an examination of a dataset of the years 1991 – 1998 crime statistics and panel data, analyzed through econometric analysis. It concluded that economic and business crimes had a positive and strong, significant relationship with unemployment (Saridakis and Spengler, 2009).

Deviance in employment in the banking sector has been underlined by Psychomanis (2004; 2006) and Georgakopoulou (1995). Health and safety conditions at work and related accidents and deaths have been analysed by Branis (1996), Tenekidou, (1999), and Smirnis, (2003) while Kravaritou (2002) has presented the legal character and developments concerning employment law in Greece and the European Union. Finally, the most influential and relevant work on business crime against employees comes from the work of Nestor Kourakis (1982, 1998, 2000, 2001) who has partly developed a criminological analysis of business offences and has underlined the prevalence of those offences in the national economy. It is thus evident that there exists a gap in Greek academic literature concerning business crime over employment offences. The applied research is still in its infancy and it is here that this project will add knowledge and hopefully promote further interest and research.

After presenting the relevant gaps in national research, this argument will continue with placing the topic in the social environment in which it occurs: the modern Greek economy and society – an economy mainly consisting of third sector medium and small sized companies that are usually assisted by the state in order to flourish. The national economy is weak and currently in crisis, compared to the more competitive European ones. It is particularly topical, informative and important to complete this

kind of project when the conditions in Greece have deteriorated and the global financial crisis has had a serious effect on the national economy and upon every day life and work in the country.

### **The national context as framework of business operation and offending: The central role of the State in the economic and the social sphere**

In order to be able to understand the nature and extent of this phenomenon, it logically follows that it must be placed in the environment in which it occurs – the modern Greek economy and society.

#### The development of the national state

Greek society was under Ottoman rule for almost 400 years during which its members developed lasting attitudes towards politics, power, the state and law (Finley, 1973). The political socialisation of the individual within this state of affairs tended to emphasise suspicion towards the political authorities. When the war of independence broke out, the state was viewed as the apple of discord, the capture of which would bestow upon the victor the ability to protect his followers from harm and retaliation. Equally profound was the influence of the perceptions of the law, seen as instrumental, which placed a premium on manipulation and evasion. With the new state emerging, there was an effort to try and modernise the society from above and to erode the state from below (Clogg, 1983). After bouts of civil war and world war, in the recent developments in modern democratic Greece, it is essential to recognise that the political system since the fall of the military regime in 1974 has become by far the most open and democratic the country has even known. But the still imperfect political socialisation is the factor impeding the development of a supportive political culture - Greek society to this day lacks the network of voluntary mechanisms and associations that could provide secondary political socialisation. Thus, the family, the school and to a lesser extent the church and the village still play an important role. State paternalism also means state subsidy of a vast number of small family firms, where a single family is the sole owner and source of power. Within this type of firm, so dominant in Greece, the sharply antagonistic attitudes, replete with profound suspicion are fostered by the authoritarian nature of management which expects

worker gratitude in exchange for work, and regards any attempt of unionism as evidence of disloyalty directed personally against the owner (Broome, 1996).

The state has always been prone to periodic crises of legitimacy often resorting to heavy handed attempts to coerce consent, as especially manifested in the Metaxas dictatorship of 1936-41, and military Junta 1967-1974 (Diamantopoulos, 1983). One of the outcomes of the dictatorship was the collapse of the monarchy - confirmed by a fair referendum in 1974 – that had ruled the country since 1833 and that was largely responsible for the country's financial and national instability in the past. The turmoil of the period 1965 – 1967 discredited the monarchy and the political elite and when the colonels took over the people tolerated them for the first four years. But then, as the economy entered into crisis, people rebelled against them and with the national disaster in Cyprus that was blamed on the regime, the downfall did not take long to come. By 1981, most of the radical youth had come of electoral age, replacing the older more conservative generation. The electoral victory of the left-wing socialist forces was thus made inevitable. But the mismanagement and scandals that came with the socialist government did not change the political climate of the country. Despite this, the country has maintained a high percentage of voters for the socialist, communist and ecological left in the democratic world (Dimitras, 1990).

Education and clientelism have been the fundamental mechanisms through which the state has been able to legitimise its power and the broader structure of society, with clientelism being the most popular and key bridge between state power and popular agency (Tsoukalas, 1985). Clientelist networks, a mainstay of Ottoman rule, allowed common citizens to have some degree of influence through their patrons. Given that capitalism in Greece developed in a very slow nature in comparison with the West, the state served as the main mechanism for the accumulation of wealth. As early as the 1980s, the salaries of the high government officials were higher than the largest capitalist enterprise in Greece at the time. The economic expansion in Greece at the time did not correspond to a transformation of the labour market or a significant increase in wage labour. The growth was made possible mainly through foreign remittances and a continuing pattern of emigration as well as tourism, shipping and banking. A significant increase of self-employment and the illegal economy played an important part too. Thirty years later, the political and clientelistic regime has entered crisis. Under the pressure of the EU and market liberalisation, many public enterprises have been privatised. Public jobs shrank and the clientelist

system collapsed for the simple reason that political parties had fewer spoils to dole out. But even though the clientelist system collapsed, clientelism did not disappear. Blatant political corruption is shown by the near-constant stream of political scandals and cover ups of the last few years. Unfortunately, the dominant tendency today is for protest and resistance in the absence of political organisation or strategy (Bratsis, 2010). State clientelism and corruption have been eroding the Greek state for decades and has transformed economic, social and political developments, and it is interesting to investigate how this can have an influence on the construction of the regulatory system, the relations between state and economic power and the latest developments and changes the financial crisis has brought. All the above can influence economic activity and employment legislation, and thus have an impact on deviance.

### The national economy

The national economy is characterised by its small size. A 'small business' is any company, firm, business or economic enterprise owned and operated by sole proprietors or working partners (including family members) who directly supervise business activities and who personally authorize all transactions (Blackburn and Hart, 2001).

Concerning the different economic sectors, for the last forty years and until 2007 there has been an upward trend for the trade and services sector. Agriculture experienced a steady decline while industry has slightly decreased in the last thirty years. There is a strong positive pattern between export activity and productivity. Competitiveness also draws on costs, innovation and technology (Bournakis, 2009). The services sector was the one still developing after the stagnation of the national economy that started in the 1980s. This is attributed mainly to the expansion of the public sector and the growth in tourism and financial services. Financial services are a focus of this project and it is interesting to follow their development and proportion in the national economy. Over the last thirty years the banking sector has experienced expansion and increased its operation. Commercial banks account for more than 70% of total deposits and 46% of total bank credit extended to the private sector. There are more than seventeen Greek owned banks and most of them maintain an extensive national network of branches. The Greek Stock exchange is a

small market representing about 10% of the Gross Domestic Product (GDP) (Pappas, 1993). The banking sector is a major player in economic activity in Greece and its power must be investigated in relation to its interaction with the state, the relevant unions and its employees. The work environment in the sector can be criminogenic and it can influence the lives of mainly young and educated people that constitute the majority of its workforce.

The business sector in Greece is a mixed one with private and public enterprise operating side by side. Over the years, firms have been protected from external competition and provided with extensive investment incentives and generous export subsidies. Such policies tend to discourage establishment of large efficient and technologically advanced business units. The vast majority of Greek firms are small in scale, family –owned or controlled, undercapitalised and inefficiently managed. Extensive dependence on bank credit is another key characteristic (Pappas, 1993).

Modern policies in Greece tend to favour the development of entrepreneurship. The importance given lies in accordance with EU policy and competition within the common market. Especially connected to the issue of competition, the policies tend to favour companies in order to help promote growth, leaving them unregulated– this has the impact of insufficient security being given to employees. In this way, entrepreneurs are thought to be the core of society, with their interests always coming first. As a result, a form of state favoured entrepreneurship has been promoted in Greece, based on constant help and financial benefits. But what the Greek economy actually needs is a move from state favoured to productive entrepreneurship, which aims to increase profit by increasing productivity and not decreasing wages (INE, 2004).

During the 1980s, national firms were interested mainly in strengthening their positions rather than entering into new lines of production or diversifying their product structures. The intensification from competition gave rise to a process of unequal development, growing income gaps and economic decline. The initial problems of the economy were mainly affecting the economics of the public sector. The contributions to Social Security were linked to the slow employment evolution causing a deficit to the organisation since the late 1970s. The balance of current accounts deficit was due to increase after the Greek entry into the EU (1981) due to the abolition of import restrictions and the freeing of capital movements. In order to combat this, depreciation of the drachma was used many times before entering the euro zone.

The transfer of funds from the EU has additionally helped Greece to avoid open crisis in its balance of payments in the past. (Yannopoulos, 1986). The fiscal situation was evidently very difficult in Greece decades before the global financial crisis hit and carried away the economy into crisis.

### The trade union movement in Greece

Greece was never able to develop a sustainable industrial infrastructure and full employment. The small size of units, low employment levels and unnatural growth of the services sector has not facilitated the development of a strong trade union movement. Today in Greece there are 5 confederations, 132 federations, 107 labour centers, and 3.500 unions operating, 400 of them within industrial factories. From its founding national conference in 1918, the national union movement is characterized by various disputes and interventions from the state. The leadership of the union movement was distant from its base and rarely representative. Class struggles and national crises were prevalent (Mitropoulos, 1985).

There are three levels of organisation within the Greek trade union movement. The lowest level consists of the primary trade unions and enterprise unions. In the second level we find the Secondary Level Organisations that are usually organised along occupational or industrial lines. Also at this level, we also find the Labour Centres, which are general associations of unions at local or regional level. The tertiary and higher level of organisation of unionisation is the main authority that has control of all lower level organisations, this being the ADEDY for public servants and GSEE for private sector employees (Lecher, 1994). The modern implementation programme of the unions' federation involves initiatives endeavouring to make the system more healthy and representative, construct more effective guidelines for industrial action, improve the legislation, fair treatment at work, the role of workplace inspections and health and safety at work (Mitropoulos, 1985). In Greece collective bargaining has been legally established since 1976. However, the role of the state in facilitating negotiations is weak. Thus, its general character is the one not of a dialogue but of dual monologue. Here, we must note that a question still remains regarding the Greek unions and their adaptation to the new transformation of the economy and society in modern Greece, the overcoming of their internal problems and their ability to reach members of smaller firms that operate in Greece



(Spyropoulos, 1998b). Unions participate in employment tribunals, intervene in cases of violation of employment rights and have strong consultation and information centers together with outreach members offering current knowledge on employment legislation and changes. Thus, the inclusion of union members as participants was an important factor in order to grasp a fuller picture of the phenomenon.

One of the basic elements of development in collective employment relations and negotiation is the branch of activity to which each company belongs. In Greece, the main two branches in the third sector are commerce and the services. In order to ensure the security of employees working in those branches and the proper function of companies, there are currently 8 employer organizations cooperating with the relevant unions, in order to be able to decide upon issues arising in each branch (Lixourioti, 2004). There is an influence on current employment legislation from the existing multi-national corporations which makes the position of trade unions weak, and in need of re-examination concerning their organization and function. Corporations are more flexible than individuals and employees and this is one of the basic elements that empower them. Greece owns only a very small number of multi-national corporations but a large proportion of the national workforce is employed by foreign multi-nationals (Spyropoulos, 1998a).

Employers' organisations will be defined as formal groups of employers set up to defend, represent or advise affiliated employers and to strengthen their positions in society with respect to labour and to economic matters. Unlike trade unions which are composed of persons, employers' organizations are composed of enterprises (Blanpain and Engels, 1998). At the national level, employers' associations are organised according to branches and sectors of economic activity. In Greece, SEV was founded in 1807, and nowadays this federation is composed of sector industrial associations, more than 40 branch associations and about 500 enterprises (Koniaris, 2002). Their main functions include defence and promotion, representation, management of the industrial relations system, internal functions (training, research, social conscience of business and more) (Blanpain and Engels, 1998). Trade unions and employers' associations are two important actors on shaping the experience in the work environment of Greek business through bargaining and legislation.

## The national work environment and labour market

The following socio-economic conditions offer a clear picture of the organisation of work environments at national level connected to issues of social structure and stratification. They can give a rounded illustration of agency but the lived experience of victimisation at the micro level will come from the data collected via qualitative research.

The main characteristic of the work environment in Greece is one of intensity and long hours of work. Employees in Greece have to work almost double the time compared to German employees to acquire the same income. Thus, 33% of the national workforce usually works regular overtime or is employed in more than one job (Koyzis, 2001). The employment structure reflects the pattern of late industrialisation: The importance of the services, the disproportionate size of agriculture and the relatively low importance of industry; Low rates of employment for women, low numbers of part-time workers and a very high unemployment rate; a problem of long term structural unemployment especially for young people. The interests of women, young people and the long-term unemployed have weak union representation. Perceived corruption and tax evasion is very high undermining the competition and delivery of public services and functions (Featherstone, 2008). There is no real investment in creating new jobs and opportunities by the private sector, regardless of the effort the state and European Union have made to increase them (Manesis, 2003). The problems in the labour market additionally effect Greece's increasing immigrant population. There are more than half a million immigrants in Greece, who have arrived since the early 1990s. They have had positive effects on the economy through the increase of supply of labor, and there is evidence that they also contribute to relieving the inflationary pressures on the economy (Fakiolas, 1999a, 1999b).

Work intensification remains at the core of workplace relations. Advocates of management who initiated workplace reform argue that recent practice has led to employees being more committed to the objectives of their employers and that new approaches indicate the extent of the shift in management attitudes away from adversarial relations towards more collaborative arrangements (Waddington and Whitston, 1996; Whitston et al, 1999). Management has moved to individualise the employment relationships. Unions, in response, normally employ the following

strategies: defending the collective solution, restructuring as a deterrence, recognising a threat which can be resisted in that particular context, regarding individual issues as collective ones, promoting collective concepts, attempting to control participation, and restructuring towards the needs of individual members (Bacon and Storey, 1993).

It is important to take into account the gap in wage levels between managerial staff and the rest of the workforce in Greek private sector companies: for 75% of the workforce, the annual average income is 19.000 euros, although there are several company managers that earn up to 400.000 euros a year. At a European level, the Greek monthly average wage is 1.200 euros while the European one is 2.100 euros. In general, this gap between income differences in Europe has started to decline, contrary to the Greek levels that unfortunately keep on rising (Gioti, 2003). Finally, the pressure of international competition in the Greek economy has mainly been channelled towards the wage level (Robolis, 2001; Dedousopoulos, 2002; Rokas, 1991).

Low employment costs do not help increase the productivity or competitiveness of the country (that, together with the Portuguese, remains at the lowest level of the EU). The latest developments in employment relations are influenced by the EU: compliance to the rules of international competition; development of aspects of employment legislation according to European guidelines; development of a cooperative climate and weakening of the conflicting relationship between employers and unions and efforts to control the increase of illegal markets and financial crimes (Koyzis, 2001). In order to combat the frequent violation of employment laws, the state has established the function of the Employment Inspection Unit in 1999. Initial research carried out with the co-operation of the Social Security Offices estimated that 25% of labour in Greece is illegal. (INE, 2001).

From the above illustration of the national dimensions that constitute the key elements of the factors involved in business crime, one is able to understand the unhealthy environment bred in Greece that cultivates anomie and deviance. From the overpowering of the state by big business to the weakening of collective action and fragmentation of the workforce, Greece has become a very good example of the freedom and power capital can have when left to its own devices – and of all the social ailments it can produce. The problems have only recently started to come under sociological and criminological scrutiny and this project can add knowledge to

enhance and promote awareness on such issues of current national pathology. But the answer to this problem is of course political, and thus depends on different hands and different motives.

### The current financial crisis

Employment relations and business deviance has been affected by the state of the economy and the current crisis that Greece is undergoing. The events of the crisis began in 2008 and are on-going but the root of the problems that led to this difficult situation can be found in the previous decades and are economic as well as socio-political.

The problems with unemployment and inflation, low productivity and export rates and increasing public expenditure to promote growth that started in the 1980s never got resolved and all the policies implemented served only to carry them along from one government to the other. Real growth rate accelerated in Greece in preparation for the Olympics in 2001. As a result, living standards rose from 84% in 1997 to 95% in 2007. In spite of the growth, the general government deficit remained above the 3% of GDP and rose even higher when the crisis hit Greece in 2008 to 97% of GDP. High inflation and nominal wage growth that outpaced productivity pushed up labour costs and eroded competitiveness of the economy at the international level. This combination of high economic growth, persistent fiscal imbalances and deteriorating competitiveness during the last decade was worsened by an external imbalance of the economy. The internal and external imbalances - feedback between account deficit and debt accumulation through increasing interest rates was the main problem. This enhanced the role of the public sector in the deficit. While in the 1990s private sector savings largely compensated for public deficits, because of inflation and low investment rates, the public deficit in the 2000s could no longer be financed by domestic savings thus increasing external borrowing needs for the country. Further increases in the deficit came from the preparation for the Olympic Games. The fiscal stance became restrictive again in 2005 (Moschovis and Servers, 2009).

The period to follow led to the current adverse situation. In the period 2007-2009 the financial difficulties and structural problems of global capitalism reached crisis point. Toxic loans and banks started the 2008 global financial crisis. There was a rise in oil

prices and cheap goods, rise in interest rates and finally the collapse of the American Banks. The peak point was the collapse of Lehman Bros. The credit problems affected Europe that had entered financial difficulty since the mid 1970s and only managed peak levels again with the creation of the Eurozone.<sup>2</sup>The European issue was not that governments were willing to bail out but the lack of financial power to do so. Moreover, in the regulatory focus, there was no system dealing with cross-border banking that the eurozone had created (Mason, 2009).

The financial crisis that started in the US in the second term of 2008 spread into most of the developed economies, effecting the Greek economy as well. During 2009 the economic situation at national level was effected mainly by the exogenous effects of the consequences of the international recessions, as the Greek financial institutions had not invested in the so called toxic investment products. The direct impact of the crisis on the Greek banking sector was relatively contained – measures were taken in order to safeguard the stability of the sector. The strengthening of banking supervision in terms of resources has not been met yet because of the rising needs of the crisis. The bank of Greece is the chief organisation that deals with this part of the strategy (Eur. Commission, 2011). But in 2009 the impact in Greece worsened. The credit expansion rate to the private sector (firms and households) slowed down followed by a decrease in industrial production and trade turnover. This raised unemployment rates and caused deterioration in public finances with the deficit reaching 12,9% in 2009 (NSRF, 2007-2013). Years of high growth based on unsustainable drivers had left the country with large external and public deficits. When the global crisis and recession hit, falling tax revenues and structurally weak budget discipline coupled with widespread tax evasion caused the deficit to jump to 13,6% of GDP. Public debt rose to over 115% of GDP in 2009. But since the problems were not new for Greece, the EU authorities issued frequent warnings concerning the Greek government finances, statistics, expenditure slippages and overoptimistic tax projections. Investors became concerned about the magnitude of fiscal challenges and the deep macroeconomic and structural problems of the

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<sup>2</sup>Golden Age: European Economic Growth in the quarter of the century ending in 1973 outstripped growth in any period of comparable length before or since. Longer run effects of competitiveness stemming from temporary exchange rates or radical market opening were much present in the Golden Age. The Golden Age is strongly linked to investment, increased human capital accumulation and acquisition of knowledge. Policy may also have an important role: governments establishing an environment in which investment rates are rapid, high technology transferred, and facilitation in trade policies (Crafts and Toniolo, 1996).

economy. They started backing out of Greek bonds and the whole economy started to suffer (Eur. Commission, 2010b).

The government, under EU consultation, took immediate measures: it started reducing public spending, hiked taxes on fuel, tobacco and alcohol, changed the retirement age by two years and imposed public sector pay cuts. Finally, tough new tax evasion regulation was applied (Matsaganis&Flevotomou, 2010). The new piece of taxation legislation that was created is considered a major revolution in Greece for its transparency and target to slash the deficit (Carassava, 2010). This piece of legislation refers to business as well as households and it is an interesting point for this research. Many questions can arise from this policy. Why was tax evasion tolerated before? Is business tax evasion punished more leniently than that of households or not? How are offenders sentenced? Reference concerning these questions will be made in a later section of the thesis referring to the national legislation over business offences.

After the preliminary exchanges with the European Commission, the Greek authorities were notified on November 2009 of a package of measures designed to stabilise the financial markets: A recapitalisation scheme, making available new capital to credit institutions in exchange of preferential shares, to allow them to strengthen their capital base against potential losses; A guarantee scheme, covering against remuneration, aligned with the European Central Bank (ECB) recommendations; A securities scheme, providing against remuneration government bonds to eligible credit institutions to enhance their access to liquidity in particular with the European Central Bank. The Commission notes also that this liquidity shall be issued for granting residential loans to small and medium sized enterprises under competitive terms (Europa, 2008). The rescue package of 110 billion euro authorised by the EU supports a programme of new economic policies for Greece that aim to restore competitiveness and reduce the high government deficit. The package is based on conditionality and concerns reforms on fiscal measures; structural reforms; banking and financial reforms; monitoring and organisation (Eur. Commission, 2010b).<sup>3</sup> The current crisis requires a mix of macroeconomic and

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<sup>3</sup>Fiscal Measures: Expenditure reductions and tax increase but apply social fairness policy in taxation so the crisis does not hit the socially weaker groups. The Greek government also initiated new measures on control of revenues and expenditure. Moreover, a new plan to reform the pension system and modernise the public sector. Finally, monitoring systems to be introduced on public spending and effort for more reliable and available data and statistics; Structural Reforms: They are important to restore competitiveness that drop significantly after

structural policies. The second in order to combat rigidities in product and labour markets and the first to balance the debt and budgets and improve tax collection (Moschovis and Servers, 2009). All these above measures are focused on promoting economic growth in Greece and there is no real mention of issues of social justice other than combating unemployment. The actual effort is once more focused on fiscal performance and the role of the state. The proposed increase on business deregulation and employment flexibility further undermines the power of the workforce. Thus, the measures can be expected to influence deviance.

### The social reaction to the strategy and measures to combat the crisis

Within the turmoil of the crisis, social measures and social reaction to the measures has been evident and present in news programmes worldwide. During 2010, Greece adopted two sets of labour market reforms. First in July, Parliament voted legislative changes related to overtime pay, severance costs, wages for groups at risk, and government and social partners agreed that the minimum wage would be frozen until 2012. In December came the second set of reforms. This completely deconstructed the previous system where the main social bargain occurred at the collective level and instead established firm-level wage flexibility, giving national business a big advantage over labour. Now, in order to preserve jobs, the bargaining can occur at firm level with freedom to go below levels agreed on in the collective contract. In order to empower labour's side in those changes, the creation of firm level unions is enforced as well as the enhancement of controls from The Employment Inspection Unit (SEPE). The strength of enforcement of law against unfair dismissals is lower than the EU level, especially for full time posts. This can have a negative effect on

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the crisis and was deteriorating over the past decade. The national growth model was unstable based on access to credit and under-reliant on investment and exports. The reforms are: liberalise key markets, reform wage bargaining in the private sector and reduce undeclared work. Simplify the remuneration system in the public sector and reduce members/employees in local government. Finally, open restricted professions and liberalise network industries; Banking and financial Reforms: The Bank of Greece to implement intensified supervision of the sector. Establishment of the Financial Stability Fund from the banking sector to ensure the capacity to finance the economy; Monitoring: This is the most important aspect of the whole programme of reforms. To monitor the progress, the EU have established quantitative, quarterly and annual performance criteria. Annual targets have been set and there will be continuous assessment and quarterly reports to be completed. Funds will be disbursed on a quarterly basis and after the Commission is satisfied with the progress made. The first 14,5 billion was sent on May 2010; Organisation: The above programme is being supervised by the European Commission, the European Central Bank and the International Monetary Fund (IMF) (Eur. Commission, 2010).

certain disadvantaged social groups and part-time employees (Eur. Commission, 2011). The above deconstruction of the legislative framework weakens previous employee rights (especially that of national minimum wage and hours of work) thus employees lose total control of the structure of their timetables and salaries. The costs of the national deficit are immediately shifted on labour's shoulders as it seems to be influencing households more than business. Yet another inequality crystallised in legislation of what was once regarded as deviant but now accepted as lawful business practice.

As the above attempts to combat the debt with austerity measures did not seem to have the expected results the government changed the finance minister and proposed a new package of measures in early 2011. Germany and France have recently called for a quick deal on a second bail out for Greece amid fears that the country's crippling debt problems could spiral into a global/euro crisis. Without continued funding, Greece will default on its massive debt, which will have widespread ramifications for the global economy as well as the Eurozone (Sky News, 2011a).

Current developments still pinpoint public aversion to the measures and the 'selling off' of the country, resistance to the new austerity measures even in inner government circles and unequal distribution of the debt/tax pressure onto minimum wage earners. The general consensus over these developments is that new loans and measures only buy Greece more time (Sky News, 2010b). Meanwhile the public reaction and disapproval of the measures and the political involvement of northern Europe has been evident with continuous demonstrations and riots in the capital. After research conducted from Eurobarometer (2010), the following public attitudes were measured in Greece: The proportion of Greeks that feel that their country has benefited from EU membership has fallen sharply – they are not keen to have more reforms (70%). People on the left of the political spectrum are far more pessimistic (60%) than those on the right (50%). Finally, more than 80% of Europeans feel that the surveillance and supervision by the EU of the activities of the most important international financial groups would be an effective way of combating the crisis. In Greece, unemployment is considered the most important national problem and people are unsure about how to stimulate economic reform in the best way. People do not feel sufficiently well informed about their rights as EU citizens (Eurobarometer, 2010). During the past three years of critical economic conditions, social policies have been implemented with a special focus on the labour market, mainly in the form



of social security benefits. The contraction of the economy is weighing heavily on employment which is to set fall by over 2%. This will push unemployment to around 10%. Core inflation should also rise more rapidly than the euro area also reflecting the poor functioning of domestic markets, especially the services (European Economic forecast 2009). The above facts underline once more the burden of the crisis on the workforce and households as more fragmentation of collectivities occur with high unemployment – a further issue that can influence deviance.

In a country with a weak and ineffective welfare state, where social cohesion has been maintained through inter-generational transfers and other informal forms, the austerity measures will make such forms of social solidarity all the more difficult. Poverty levels hovered around 20% at its best and now will inevitably rise. The so-called '700euros generation' of young people with lots of degrees and no employment prospects will, from now on need, to compromise with even lower starting salaries and more desperation for the future (Tsarouhas, 2010). Finally, tourism - a major national profit making sector – has lost much of its strength, a fact that has created a strong concern in many households outside the capital (Belien, 2010).

From the above detailed analysis of how Greece found itself with a serious fiscal problem and its near economic collapse, the main conclusion drawn is that the problematic situation of the past 30 years gradually led to the current crisis and it is evident that it was a case of the political and economic elite feedback of power and money, corruption and clientelism in order to maintain hegemony rather than to maintain progress and development for the whole of the economy and society. And that was the real issue that led the country to crisis rather than the influence of the global crisis. This hegemonic order shaped business practice and employment legislation during the past three decades. Into this framework, deviance was more taken as a technique of management of the workforce rather than criminal activity.

### **Examples of Business Criminality: a widespread phenomenon missing moral panic and adequate regulation – characteristic cases from legal publications.**

In this section some characteristic examples of work related business offences are presented, derived from cases found in research, the media, and legal documents and publications. These examples refer to both the national and the international level. They represent characteristic cases of deviance at the work place and are discussed according to seriousness and commonality of the offence and relations of power. The Greek cases have been collected by the trimester reports of the department of law reviews of the GSEE. It is to this regulatory organisation that many cases of business deviance and especially breaches of employment laws are brought to the legal team for consultation.

The first example refers to the unfair dismissal of vulnerable social groups (GSEE legal Publications No. 27:25). This employer dismissed a high number of employees citing reasons of a technical and financial nature. After the examination of the case, it was found not only that the real reasons for dismissal were not of a technical or financial nature (it could not be proven) but also that the specific employees who had lost their jobs were not chosen according to legal recommendations. According to law 2511/1989, the employers in cases of mass dismissals have to choose the employees to be made redundant according to 'social criteria'. The safeguarding of vulnerable social groups by the legislation is important but this can backfire upon those groups as employers either feel adversity in employing them in the first place because of their increased rights, thus employment costs or they are usually the first ones to be dismissed in times of financial difficulty. Additionally, they are more vulnerable to exploitation due to their increased needs and the efforts of the legislator to close this gap of imbalance is- as this case shows – is rarely respected.

Denham's research (1991) is based on newspaper material to analyse the dismissal of employees during industrial disputes. It is also concerned within the 'macho' management culture that involves managerial strategies to dismiss strikers as an indication of the emergence of a more conflictual, coercive style of management in the context of intensification of the market economy. Zetka's (1996) research in the US automobile industry has manifested the utility of this management style in securing managerial hegemony. Employers use threats of plant closures and relocations to bust unions. In union organizing drives from 1993 to 1995, Bronfenbrenner (2007) found that more than a third of employers discharged workers

for union activity, 38% gave bribes and 14% used electronic surveillance of union activists. These examples of international research clarify another technique capital will use in order to weaken collective action through aggressive and even unlawful types of management. The following case illustrates the same conflict in a multinational corporation operating in Greece.

This case refers to a petition to the legal team within GSEE to investigate a certain decision against the right to strike action was valid or not (GSEE Legal Publications No. 29:27). Around 200 employees at TX went on strike after the dismissal of a number of employees over technical issues involving technological upgrades. The management declared the strikes illegal because they were not declared in time or conducted using the legal procedures. The necessity to dismiss employees was not legally acceptable since the decline of profit was not proven, the management had recently employed 5 new assistant managers and thus, the employees had every right to go on strike. The above case study, involving a large commercial multinational corporation gives a clear illustration of the power of large business in Greece and its constant efforts to shift cost-cutting onto the employees. But, on the other hand, the power of a collective action and regulatory approach in reporting shows that collective action of a larger number of employees can achieve progress by claiming their rights collectively through legislation.

The next case is unique as it describes the role of the state and links with deviance (GSEE legal Publications No. 27:27). The company V is partly state-owned and at some point 'froze' its business operations, leaving wages owed to over 200 employees. The claimants, as the legal team defined, can, preferably, claim their money from the Ministry of Employment since the state partly owns the company. Financial actors subsidize operations and the same represents state operations. Many companies partly owned by the state can operate in deviant ways and state officials may even be involved in deviant behavior. Corruption and clientelism characterize the bureaucratic nature of the national state where it can manifest itself as more deviant and illegal than other national states that normally limit themselves to the role of regulator or redistributor of income in consumption (the subordination of labour class consciousness) (Koskinas, 1995). Here we find the phenomenon of state corporate crime where business and state co-operate in deviance via abuse of power or neglect (Green and Ward, 2000).

It can be common practice in smaller units for employers to violate employment laws and this is normally committed against the rights of the more vulnerable social groups of workers (Friedrichs, 2002). A relevant case derives from a petition by a union representing people working in company Z under part-time contracts. They are obliged by their contracts to work for 20 days per month but forced to work 22-27 days. The law rules in favor of their petition for compensation of the money they have not received. There is a special mention by the legal team to the violation of the rights of employees in part time work. This type of employment is not yet advanced in Greece, and this is why employment rights get targeted and violated easily, compared to full time employment.

Imbalance in accessing information concerning current developments in legislation can have an impact on employment rights that have been established in more recent times. An important part of the concern is the directives on working conditions and health and safety regulations. Workers themselves rarely distinguish between occupational and non-occupational illnesses. Attention was drawn to this issue and an initiative for action was underlined at the First Conference on Occupational Health in Developing Countries held in Sri Lanka in 1981 (Barten, 1996). Barnett (1995, cited in Davies et al, 1999) argues that in the US each major economic sector typically engages in particular crimes. As some indication of the scale of these deaths, comparison could be made with annual homicide totals. A more careful investigation of the statistics already existing points to the fact that in the majority of workplace fatalities, there is at least a criminal case to answer to, according to Barnett's findings.

All the above examples show that business deviance is widespread at the globalised as well as the local level, that it concerns all actors in society and still fails to attract the attention it needs from the state as well as the media and public in order to be tackled more effectively. As it is evident from all of the examples presented so far, the situation in Greece might be currently very difficult to regulate but even countries such as the US and the UK still present difficulties in dealing with all aspects of business criminality (Bradley, 1999).

## **Organization of the thesis**

This thesis will start by identifying the topic and locating its main research questions and aims that define its purpose. The production of an initial theoretical concept based on a primary research analysis of a topic rarely investigated at the national level is the key objective of this project. The presentation of the gaps in theory at a national context, research and literature and the summary of the national context, where business operates and people work conclude the first chapter.

The following chapter of the thesis includes the review of the previous theory and research in Greece concerning white collar and business crime which will be illustrated, as it has developed through the years. This briefly includes the beginning of scientific interest in white collar crimes and further development from the 1950s to the 1980s. Then the investigation separates into the different sections of factors that regard these offences and their relevant typologies. At this point, literature on organisational theory, small business and workplace crime and state corporate violations will be examined. The limited and primary research conducted at the national level will follow mainly focusing on initiation of discussions of white collar offences in the legal and socio-criminological environment. The main part of the development of these focuses on economic crimes while a huge gap remains in business offending over employment legislation. Lastly, issues of law and legislation concerning business criminality will be explained.

The chapter on methodology will touch upon research design and offer an overview of the techniques employed. Furthermore, the research procedure and its outcome will be described along with problems faced while in the field. The effort to link the levels of analysis defines the design in terms of data collection and sampling. The utilisation of a mixed methods approach follows the same notion and is consistent with the methodological approach of critical criminological perspectives. Ethics, politics and reflexivity issues will conclude the section on methods. Limitations will be presented, concluding with the significance of carrying out this topic.

In presenting and discussing the research findings, the quantitative and qualitative dimension will be fused together and categorised into themes. The presentation of findings will start out by presenting the role of structure in business offending. Here, the influence of collectivity, economy and political choices will inform the data analysis under the critical scope of uncovering the power and relations imbalance

that define these structures. Moving on to the next chapter, the system of control will be presented as regards their procedure and structures, the behaviour of offenders and victims within it and the general character of control all of these highlight for the case of business deviance. The last section will provide information on rates and extent of crime as far as the last decade is concerned. In the final chapter, the narrative will continue by presenting the actual experience of victimisation at the workplace and an attempt of mapping victimisation and illustrating its real and symbolic impact. Illegal business practices will be presented for financial and commercial services of the third sector companies with a focus on managerial techniques and local market structures. The chapter will conclude by offering answers to the research questions.

## **Chapter Two**

### **BACKGROUND: “Discovering the crimes of the powerful” The international and national framework on business offending – Theory, research and legislation.**

The definition of white collar and business crime was created when researchers turned their interest from conventional crimes of illegal markets to crimes that occur in legal economic activities. The role of power was immediately identified as a key characteristic on issues of opportunity, legal definition, stigma and the offender's social status (Sutherland, 1983). In this chapter, the development of international research is reviewed continuing with an overview of national studies. The legal dimension will be examined as well, as it is important to underline the legal nature of this type of deviant behaviour and place the project within the 'crime or not' debate. Finally, the current developments in legislation on business crimes will conclude this chapter, as the national financial crisis has created new situations that can influence criminality and control.

#### **The International Literature: Looking beyond individualism and reductionism - Criminological interest on powerful business offenders**

##### The definition of white collar crime and the research development on crimes of the powerful

The current study contributes to the understanding of 'white-collar crime'. This is a wide term that includes corporate, governmental and occupational crime (Ruggiero, 1996; Ruggiero, 2000b). The theory of 'Differential Association' was first applied to white-collar crime as it was Sutherland who first coined the term. Criminal behaviour is learned in a communicative process where the techniques are transmitted along with rationalization and motives on the basis that crime is an expression of social organization rather than disorganization. He defined this type of criminality as distinct from common crime based on the offenders' identity. In white-collar crimes the offender is someone with a respectable position and higher status in society who will commit offences during the course of his occupation (Sutherland, 1983). Sutherland's work has been very influential. The common image of conventional crimes at that time was inaccurate, and he showed that crime is widespread throughout society. Within the field of criminology, he proved that a reductionist criminology explaining crime through the pathology of lower class individuals is inadequate. The scope of criminology needed to widen and take into

account a broader range of conduct and the political process that define it as criminal or not (Pearce and Tombs, 1998). The role of power, resources and political choices on the criminalisation process were immediately identified as important for this type of criminality and thus criminology too.

It is widely argued that these types of offences cannot be identified on the basis of a coded prohibition because the law may fail to prohibit them strictly. The role of political and economic power in shaping legislation has an important influence. Sutherland holds little doubt about the criminality of powerful offenders and notes the difference between them and their conventional counterparts. Power crimes are socially injurious. Tappan (1947) debated that crime entails a will to violate the law (norms of conduct prescribed by codes) and is as such prosecuted and punished by the state. In his view, Sutherland was 'illegitimate' to describe people as criminals when they have not been successfully prosecuted for a crime and extended the notion of crime to cover acts that do not violate the law. He argued that the term 'crime' could only refer to actions defined as such by the law and for which the law prescribed punishment. It is this definition, he concluded, that should set the disciplinary boundaries of criminology. This argument is meaningful if someone is dealing with the operation of the law as it stands. However, it ignores the role of power in forming the law and determining which forms of wrongdoing will be subject to criminal prosecution and which to administrative and civil sanctions. Thus, Tappan's narrow definition would preclude criminologists from studying a wide range of behaviours that cause harm. The term 'social harm' is very important in any criminological analysis. Nelken (2007, cited in Minkes et al, 2008) emphasized the value of this debate for criminology as a whole.

*'...the topic of white collar crime...illustrates the possibility of divergence between legal, social, and political definitions of criminality – but in so doing it reminds us of the artificiality of all definitions of crime...' (Minkes et al, 2008:742).*

Quinney (1964, 1970) researched powerful organizations in their everyday practice and stressed the importance of the occupational aspects and the ideology of those belonging to such organizations. By trying to locate this in the legal – illegal debate, he argued that there can be an area where criminal and economic behavior display intimate similarities. This notion of harm rather than violation of the laws informs the basis of the current investigation adopting a criminological rather than legalistic view.



With the exception of Cressey's (1953) study of embezzlers, Clinard's (1952) study of violations of price regulations and Hartung's (1950) work on regulation in the meat industry very little theorizing and research was conducted on white collar criminality after Sutherland, with the exception of the work of Gilbert Geis (1962, 1967, 1968) that focused on the electrical equipment industry, anti-trust and finally a reader on white collar crime. That changed in the mid 1970s. The new interest was fueled by intellectual trends within criminology – mainly with the development of the radical movement - and extra scientific events and journalistic accounts (Paternoster and Simpson, 1996).

Further research has been conducted after the new found interest. Hirschi and Gottfredson (1994) argued that white collar crime is not different from street crime. The offending is technically simple, demographically similar to street crime and the offences are condemned within business culture. Bussman and Werle (2006) conducted a global survey of 5.500 companies and 2900 criminals of economic crimes. The crimes of the economic elites are attributed particularly to a lack of moral awareness, of the offenders being risk seekers, focused on career success and publicity-oriented (Naylor, 2003). Further studies (Poveda, 1992; Croall, 1992; Lynch, 2004) were able to unmask the differences in the characteristics of the victims and the social harm and costs produced. The crimes of the powerful normally victimize large numbers of people and thus social groups rather than just individuals (Box, 1983). Ruggiero (2007) defines these crimes as power crimes. The notion of power crime therefore refers to actors with a high degree of freedom and resources; and this can equally be applied to individuals or organizations.

### The relevance of organizational theory

A relevant approach to this study's focus on business crime – and one of the first to be identified as important in the explanation of business deviance - is that of the significance of the role of organizations, seeking to give an answer to the question: why, and if, certain organizations and businesses are more criminogenic? Researchers have discussed issues such as the influence of size and delegation, opportunity structures, strain of profit-making and diffusion of responsibility and how they all relate to organizational deviance (Argyris, 1960; Croall, 1992).

A very important aspect of organisational theory, which directly links to organisational deviance and thus business crime, is the theory of organisational responsibility. There are four different models in organizational theory analyzing the allocation of responsibility: Models of Decision making; Structuring of Organisations; Role-taking in organizations; and the ways organizations assign internal responsibility. Additionally, another important theoretical model is Gareth Morgan's (1986) "Images of Organisation". His main argument is that an organization is like a hologram – thus one can reconstruct the whole image by using any single piece. This actual argument moves away from the idea that sometimes subunit factors are responsible and in other contexts corporate headquarters are responsible (Braithwaite & Fisse, 1993).

Since there is multi-causality, there must be multi-responsibility: the existence of formal rules and informal conventions in an organisation makes it appropriate to speak of organisational culture. A study of the way organizations rationalize deviance was conducted in Germany (Bommer, 2004). The data were obtained from 150 managers active in German corporations and 76 white-collar criminals that formerly held such positions. The results showed that crime can be predicted by gender, low behavioral self-control, high hedonism, high narcissism, and high conscientiousness (Bommer, 2004; Blickle, 2006). People in organisations are able to rationalise and justify their deviant behaviour – but they do this not as autonomous individuals but as corporate actors. People who are highly moral in their private lives leave their conscience behind when they enter the corporate world. Jackall (1989) provides an analysis of the process of transition and how the price of non-conformity would be to be sidelined and literally 'out of the game'. According to Punch (2008), the following are specific elements of business culture that can stimulate amorality and deviance: goals and pressure; corporate leaders; obedience to hierarchy; the psychological factors and influence of groupthink; motives and rationalisations provided in corporate culture to promote deviance as acceptable behaviour; the company as a total institution seeking and creating an 'appropriate' personality standard and finally cognitive dissonance where all disconfirming information is normally rejected (Punch, 2008). The above findings have been very informative for this research project as far as the collection of data from business managers and associations are concerned.

Managers of industry became a focal point in sociological research under the influence of Burnham's theory of the 'Managerial Revolution' (1943): transitional times from capitalist to managerial society. In his theory, managers shall not only be

a distinct group but a cohesive one, aware of their group interests in a struggle for power. Miller (1962, in Bottomore, 1964) showed that less than 10 percent of the 190 American business leaders studied came from lower strata. Most came from well-established old American families and 80% were from business or professional families. More recent research (Scott 1989) shows that there is a great concentration of family wealth in Britain and a strong connection with the ownership and control of corporate property. Finally, Parker's (1995) case study of management culture in a manufacturing organization was implemented in order to assess the usefulness of the concept of 'culture' as it applies to organizations. The main conclusion is that managers are not often a unified block with a common identity and that management culture is hence best seen as a map of oppositions and commonalities that reflects the wider culture of which the organization is part.

Reiss & Biderman's (1993) analysis presents five very interesting limitations of the white-collar crime literature on organizational wrong-doing. Firstly, there is a neglect of the theme of organizations as victims of crime. Secondly, there is the tendency to focus solely on large profit-making organizations. Thirdly, there is another tendency to focus on particular named organizations and the violations of their white-collar employees, rather than on how industrial and commercial organizations create and sustain particular patterns of violation. Fourthly, some studies approach the problem of controlling organizational behaviour in conformity with the law as one of mutual adaptations of regulators and regulated. Finally, there is a tendency to treat violations of administrative law as violations of the criminal law (Reiss & Biderman, 1993). This study will overcome such issues by using triangulated methodology to grasp the wider related dimensions of this type of deviance and it will not solely focus on the role of organisations themselves. The focus on relevant research carried on from the role of organisations to specific types of organisations and businesses. Relevant for this project is research carried out on small firm deviance, similar to the typical size of Greek enterprise.

### The relevance of literature on small firm deviance

It is important to highlight issues on small firm deviance since smaller and medium sized companies have their own distinct ways of operating in the economy and their own characteristic ways of deviating from official rules. With regard to offending

behaviour, it is therefore important to differentiate them from larger corporate and multinational firms. It is also important to look into the role of company size in more detail since SMEs constitute the main part of businesses operating in the Greek economy and the main focus of this research project.

The first studies to focus on small firms were the work of Bell (1962); Tarr (1967, cited in Barlow, 1993) and Simon and Eitzen (1982). The most significant facilitators of business crime, these studies found, were as follows: opportunity, the organization of work, unstable economic conditions, imbalance of power, ability and control, favourable enforcement strategies, and the symbolic relationship between business, politics and organized crime (Barlow, 1993).

Gerard Mars (1994) has produced significant work on the topic of small firm crime. His main analysis focused on two elements: firstly, how different occupational structures facilitate or inhibit particular types of workplace crime and secondly, by demonstrating that the attitudes and inclinations of workers support and encourage routinisation of those illegal activities facilitated by the occupational structure in which they work. Serious issues associated with this type of criminality are the cost of small business crime, the exploration of the hidden economy, the boundaries and commonalities between legitimate and illegitimate enterprise, and finally the paucity of small business research in criminology (Barlow, 1993).

Ram (2001), and others stress the importance of the informal nature of small firm relations to business survival. But informality and negotiation have never led to any real blurring of the hierarchical distinction between directors and employees. A general conclusion is that informal negotiation of consent tends to predominate in small firms. This tendency exists because of low unionization rates in small business due to the informal way in which small firms operate often leading to atomized rather than collective relations (Moule, 1998). Informality cannot smooth away the power relations that shape the management process, but it can often mask highly exploitative work regimes. The Greek context that is being investigated in this study has been discovered to reinforce these findings of the significant role of informality, illegality and exploitation in deviance. Informal employment relations can be defined as a process of workforce engagement, collective and / or individual and as such, informality is dynamic rather than a fixed characteristic, and is highly context specific. This is accepted as an inevitable product of entrepreneurialism and those interpersonal relations in the workplace, promoting individualized and ad hoc patterns

of decision-making and behaviour (Blackburn and Hart, 2001). Informality, size and illegality of small business offending are key issues to inform the analysis of this project, as the dominant part of Greek business consists of SMEs operating mainly in the third sector.

Previous research has shown that the impact of regulation on small firms is often less effective than might be expected. Edwards et al (2003) showed why this is the case, developing a framework in terms of the perceptions of the law held by employers, the nature of the law itself, market conditions, and the internal processes of small firms. The firms studied were aware of general legal principles in such areas as maternity leave, pay, working time and discipline. The factor of influence was the extent to which the regulatory environment influenced the competitive position of firms. The evidence of this study was that regulatory effects are generally small but that in some circumstances regulation can encourage modernisation (Edwards et al, 2003).

Research on employers' attitudes towards employment rights showed that there was considerable variation on the perceived effects of employment rights according to business sector and size of enterprise. Those in low paying sectors with tight profit margins, such as distribution, were much more likely to have negative comments. However, smaller enterprises in the sample were *less* likely to register negative effects. The most significant rights having an effect on small firms were the National Minimum Wage followed by legislation relating to basic terms and conditions (Blackburn and Hart, 2001; Dickens et al, 2005).

The most significant issue arising from the research discussed above is that small firms tend to remain invisible to regulators. This is especially true in Greece, where the vast majority of businesses are small and medium sized. Small business creates the dynamic of informality, thus, atomised, informal relations prevail against the formality of employment regulations. The relevant research is not fully developed and it is a gap that this project endeavours to fill.

After identifying key issues and discussing research on SMEs, the following section discusses the micro level of analysis, concerning what happens inside these companies in their everyday work environment where the lived experience of victimisation can be found.

## Research on unhealthy work environments

A key purpose of this study is to investigate the work environments in connection with employment relations and deviance. There has been a wide discussion over employment relations and business regulation both in academic and public policy research. In the academic field, Tombs (1990, 1991, 2008) has produced a significant amount of work. He (2008) proposed three levels of analysis: the micro, meso and macro levels. The micro level is the personal characteristics and the interpersonal relations and workplace cultures. The meso level is the company-organisation as a whole, its structure, lines of decision-making, type of management, trade unions, Health and Safety committees and economic health of the organisation. The macro level refers to the economic, social and political dimensions within which the organisation operates: the nature of the market, state-business relationships and regulations, pro or anti-business societal values, and technology. This approach for analysis looks beyond criminology and places organisations, political issues and economics upon the agenda (Tombs, 2008). This model has been influential for the analysis of the current data as it can connect the micro and macro levels of analysis, the lived experience in the work environment and the social structure that define it.

Beck (1992) maintains that economic, technological and environmental transitions have radically reshaped employment relations in Western Europe. 'The Risk Society' perspective emphasizes the diffusion of two interlinked macro-social processes: individualisation that creates insecurity and changes in the relationship of capital and labour facilitating an unequal shift in social distribution. Mythen (2005) criticises this theory by demonstrating that – far from being directed by a universal axis of risk – labour market inequalities follow the grooves etched by traditional forms of stratifications: Class, gender, race and ethnicity remain durable yardsticks of social opportunity.

Another important critical work is Lynch's (1994) Marxist analysis. As the rate of surplus value increases, work conditions also become more alienated as work loads increase, speed-ups are more common, there is less pay per unit of output and workers experience fatigue (Lynch, 1994). Lynch's study presents a good example of a critical investigation of secondary data, similar to the goals of this project. Additionally, Pearce and Tombs (1998) talk about legislation and the impact on marginalized groups of society. Marginalised groups have, and continue to be, either

rendered invisible and /or subjected to disproportionate levels of risk. Employee victimisation in the workplace and the undermining of their employment rights is another invisible victimisation currently taking place in Greece where the national crisis only helps to intensify the phenomenon. This project by adopting a critical perspective can help bring to light these victimisations, their effects and social harm they produce for the Greek society.

Almond's (2008) study investigates on the very popular topic of Health and Safety; deaths and accidents at work. The study aims to understand public attitudes towards work-related fatality cases. Limited knowledge characterizes general public perceptions of crime. Given their ambiguity and significant consequences, why are business crimes against health and safety almost entirely absent from the crime, law and order agenda? Here, one needs to recognise that there is an array of social processes that contribute to removing such offences from dominant definitions of crime. For example, both formal politics and the law play crucial roles in the production of definitions of 'real' crime that exclude most types of business crimes due to conflicting interests and political choices (Almond, 2008).

Workplace violence is an extremely elusive subject of the criminal law, and violence in the workplace ranges across direct, more subtle and insidious acts. It also extends to acts that can have serious and dramatic consequences, such as corporate manslaughter. The central argument is that workplace violence and harms are under-criminalised and under-policed (Thornton, 2004). During the past few years there have been a number of high profile corporate cases that have attracted media attention and have involved the violation of workers' rights. For example, litigation arising out of the treatment of employees has implicated major corporations as Rio Tinto, Thor Chemicals, The World Bank, and the Inter-American Development Bank. The globalisation of the economy and the shift to downsizing companies to ensure flexibility and responsiveness to economic trends has fostered job insecurity, stress and a more corrosive style of management, which can facilitate workplace bullying (Thornton, 2004). This focus on underlying structural and organisational causes of workplace violence is important since it emphasises the essentially structural and recurrent – as opposed to random – character of workplace violence. Therefore, it promotes awareness of the surrounding political and socio-economic factors that contribute to the phenomenon (Braithwaite, 2005; Hocking, 2008).

Continuing with policy research, a very relevant study for this project was conducted in the United Kingdom from the Department of Trade and Industry (Fevre et al, 2009). The topic of investigation was employment offences and attitudes of the workforce towards them, and the legislation and regulatory approach of the British state. The authors have observed an increase in knowledge of employment rights in the UK workforce (from 65% in 2005 to 78% in 2008). Around a third of respondents (34%) have had a problem at work. Those that were more vulnerable include those in workplaces without an equal opportunities policy, trade union members, those with more than one job or with a disability or long term health condition. Gender and sexual orientation were significant in terms of bullying and harassment. When asked how they tried to resolve the problem, the most common method was to discuss it with the employer and the least common method was to appeal to an employment tribunal. Other methods were, informal conversation, formal meeting, or putting complaints in writing. Fear of victimization is an important factor for not reporting. More specifically, fear of being discriminated against or bullied was a key issue. Amongst individual characteristics, age was negatively related to unfair treatment and discrimination, meaning that those younger than 24 or older than 50 would perceive their age as causing problems or making them a target (Fevre et al, 2009).

Employment Market Analysis and Research (EMAR, 2005) conducted research on employers' and employees' awareness of issues of employment legislation. There are three types of potential influence on awareness and knowledge: labour market advantage/disadvantage; relevance of the legislation to the individual and their circumstances, and finally, experience. There is, therefore, no compelling evidence from the study that lack of awareness/knowledge of employment rights is a general constraint to taking action when those rights may not have been infringed. The research did show that members of some such groups (those in lower level occupations, temporary and part-time workers, non-union members) were typically less confident of achieving justice through the system (EMAR, 2005). There are a number of reasons why individuals find themselves working long hours or nights or without full rest breaks or without full paid leave. It would appear to be a complex combination of employer pressure, financial considerations, workplace culture, personal motivation and a desire to get the work done, to name but a few reasons (BMRB, 2004).

All the previous sections of this literature review refer to the development of the criminology of powerful offenders and business deviance as it developed throughout



the years from its first definition to more detailed investigations of organisations, types of companies and work environments and their relevance to business offending. The most current section of work produced on business crimes concerns the regulation of this type of deviance that has developed following changes in legislation trying to combat this phenomenon.

### The theory and research on business regulation

Within the literature on business offending there can be found an important focus on research and theories over regulations. A related body of literature on regulation, associated mainly with Braithwaite (2003, 2005) and colleagues, makes the claim that appropriate enforcement is always a regulatory mix: where self-regulation is ineffective, the next preferred tactic is enforced self-regulation, and then the potential of punitive external intervention must always exist.

The discussion on regulation was initiated in the early 1990s and it has crystallized in the debate concerning 'Deterrence vs Compliance'. The 'Compliance School' claims those cooperative models of persuasion, education, strategies of self-regulation and the argument that prosecutions should be the last resort. The 'Deterrence School' stresses punitive policing, stronger enforcement and prosecution and generally tougher legislation. The main disagreement lies on ideological grounds as it is focused on the nature of crime. Compliance claims that there is a difference between traditional and corporate offenders as the latter are engaging in socially productive activities. The deterrence school wants more use of the criminal law because it is the most powerful instrument for moral disapproval of harmful activities (Tombs and Whyte, 2010). There are two traps in the deterrence / compliance regulatory modes. First, the deterrence trap, where the making of morally tough demands may undermine business commitments to compliance and undermine political support of the regulatory bodies and the compliance trap where avoiding conflict with business actors will not make a difference at all (Parker, 2006). The disagreement extends further to the debate over whether corporate deviants are amoral calculators that calculate economic costs and benefits when deciding to offend. Organizational amorality and incompetence are highlighted by compliance as the need for education and persuasion. The second school stresses the need for examination of the phenomenon within the social, economic and political structures of capitalism (Gray, 2006). Greek regulatory systems use the criminal law for its deterrent effect but their

initial steps toward regulation are usually mediation between the two parties or financial settlements of the illegalities identified. Thus, even though the authorities tend to use deterrent strategies, compliance as mediation is always the first step (Kourakis and Ziouvas, 2007).

In recent times, critique has been developed concerning the above debate as new regulatory approaches have been proposed. The debate downplays the agency of workers and focuses on the relationship between the company and the regulatory authorities. Although some scholars have developed models to include both punishment and compliance strategies (Braithwaite and Fisse, 1993; Carson and Johnston, 1990; Kagan and Scholz, 1984), very few have proposed something new. Gray (2006) analyses the current neo-liberal trend of regulation through individual responsibility - that the worker is being individually responsible for his/her own hazards and their regulation. This happens by exercising the legal right to refuse unsafe work while being the target of the policing and regulation of safety. This regulation approach is a good example of the modern tendency of policies to focus upon a diffusion of responsibility and blameworthiness of unsafe working conditions (Gray, 2006).

MacKenzie and Green (2008) divide the discourse on regulation on another dichotomy: Public interest and private interest theories. The first sees regulation as an effort to attend to common good and the second as a conflict model of interests groups. They argue on a new type of regulation they call 'Performative Regulation'. This regulation comes as a result of the state's need to deliver legal structure over the harmful behavior but also allows the regulated to do exactly as before. The legislation defines criminal behavior but at the same time creates a zone of legitimate behavior outside its boundaries (a structural performativity) (MacKenzie and Green, 2008). This newly defined analytical tool will be employed in the following analysis as it can highlight the connections of the clientelist national state with national business and the role of economic interests in the shaping and enforcement of the legislation.

Current approaches focus on the role of business ethics. The first approach has its focus on responsive regulation and seeks to establish moral commitment in compliance with the law. Ethical codes of actors on deviance and moral entrepreneurship are utilized as relevant research shows they can have a significant impact (Parker, 2006). An additional approach utilizes reflexivity. Reflexive law and regulation has been applied to environmental and safety ethics: It aims to establish

the ethics within institutions and businesses. They usually employ instruments of the state and market to do so. Reflexive law aims to establish a positive incentive for the encouragement of ethical behavior: voluntarism, public disclosure, public interest groups, procedures for self-reflection and criticism are key elements of this model. The model operates on the intermediate level between market and state. It wants to influence the decision making process of business (Orts, 1995). Additionally, 'Information as Regulation' is a new view on environmental and safety regulation. In order to be a successful policy alternative, the provision of information to the public must be able to pressure business to improve their safety performance in order to avoid a negative impact on the financial performance of the firm (Konar and Cohen, 1997).

Criminological research on what works regarding business regulation and control has been conducted by a number of authors. Paternoster and Simpson (1996) contend that theoretical models of corporate crime and public policy should contain both instrumental (punishment) and deontological (appeals to morality) factors. Chambliss (1967) argues that corporate managers would be sensitive to formal punishment because they have more to lose and are not committed to a criminal lifestyle. Kadish (1977) claims that corporate offenders are easier to deter because their crimes are normally calculated and directed to economic gain. Passas and Nelken (1993) suggest that certain economic conditions can produce specific pressures where lawbreaking can appear as a rational response. Here, the role of existing regulations plays a serious part as they can influence the calculation of gain and loss of possible offending. Braithwaite and Geis (1982) argued that formal sanctions are working because business managers have more to lose and cherish their good name and reputation. The power of pro-social censure and embarrassment are also promoted by Stotland and Geis (1980) and Scott (1989). And even though the above suggestions are very important and informed the data collection process, the aim of this project is to be able to connect the micro and macro level and not just stay on the technicalities of the national regulatory system or its reception from the national business world.

### The latest developments on business crime research: The definition and importance of State Corporate Crime.

To conclude this section on the work conducted on business crimes at the international level, a recent and very informative piece of theory and research must be presented. It deals with issues on the parallel development of political / governmental crimes that can be connected with business deviance. The information presented below can prove very useful in analysing the link between state and national business in Greece and their contribution to deviance. Friedrichs (2010) has coined the term 'Political white collar crime' or state crime. This refers to political, economic and cultural practices that can be deeply injurious to human life. And this can additionally include the role of the State in the criminalisation process shaped by power, money and class conflict (Chambliss et al, 2010). In the above framework, the term 'State Corporate Crime' can be defined as crime arising from the pursuit of goals by both public and private sector organisations that result in crime. These crimes are committed by individuals that abuse their state power/authority or who fail to exercise it when working with people and organisations in the private sector (state initiated – state facilitated corporate crime) (Green and Ward, 2000). In many cases it is used to describe further state actions that are used domestically or internationally and are socially injurious but not defined by the state as criminal (Ross, 2003). Green and Ward's (2000) definition includes the violation of human rights and the state organisational dominions. Deviance can take the form of routine or gross state corporate crime. The notion of state crime therefore, is an aspect of organisational deviance. Thus, the concepts of deviance, motivation, opportunity structures, control and labelling can be applied in organisations just as well as to individuals, thus upon states too (Ross, 2000; Green and Ward, 2004).

In between the co-operation of state and business in illegalities for economic gain, corruption and clientelism are usually present as well as methods of interconnection of the two actors. The definition of Corruption as 'abuse of public office for private gain' is appropriate for this context. In particular, it is closely associated with the phenomena of clientelism and patrimonialism. It mainly victimises people indirectly and without their knowledge and can be distinguished by petty corruption of individual officials and grand corruption at high levels of government (Green and Ward, 2004:12-13). Clientelism is a pattern of social exchange between patrons, normally holders of political or administrative offices and clients who may be private

citizens, businesses or more junior officials. It can flourish alongside modern, bureaucratic government. It normally introduces elements of personalism to the legal-rational system of government, whereas neo-patrimonialism is a system operating behind the legal-rational façade (Green and Ward, 2004: 22). These new definitions of criminal activity can prove extremely useful to the Greek state for its development has followed a clientelist development. During the 1960s, the demand for modernization of the state took great importance. After the fall of the monarchy and dictatorship that followed, the development of the new extra-institutional terms of consensus comprised the basis of the modern phenomena of clientelism and populism in Greece (Charalampis, 1989).

The Pan-Hellenic Socialist Party (PASOK) government between 1981-1985 managed to tone the economy and raise the life standards through incoming finances from the EU, internal and external borrowing and public assistance to national business. The populism of the times brought the emergence of the patron-state, clientelism, and corruption. The clientelism of these times found another very important dimension in society: employment opportunities for clients/voters. This practice of finding employment through a mediator to a political or public administrator was common in finding a job in the public sector. Most of the staff employment in the 1980s and early 1990s was through this means. Another similar clientelist practice was early retirement and illegal benefits and more importantly favours to private sector business. The re-evaluation of the constitution in 1986 had as a central objective to centralize the mode of power into the hands of the Prime Minister rather than an equal share between the prime minister and president of democracy. From there and on clientelism became easier and actually established itself as the key method parties utilized with their voters. Control of media and strict policing meant that these systems of corruption were literally impenetrable. But this deviant system of representation and government did not lead the country to a proper economic development in order to maintain voters and continue with the system of favours and illegal bribing (Charalampis, 1989).

In the above national framework and in accordance with the new terminology of state corporate crimes and the co-operation of the two societal actors for gain via illegal means, relevant enquiry must be made of the data. Is there state corporate crime occurrence in the area of employment offences in modern Greece? Does this have an influence on the shaping of the legislation, regulatory system or the work environments of companies? What is the reaction of victims or the general public to

these offences? The current political system and many cases of corruption and clientelism have reached the media, leading to a crisis of legitimation of political parties in Greece, as their ability to represent with success the social forces has been questioned together with the devaluing of their public speech and ability to present adequate policies for public developments (Tsatsos and Kontiades, 2003).

### **The Greek Literature: A fragmented paradigm of research on business deviance and powerful offenders – the role of policy driven research, national financial troubles and the lack of Criminology**

#### The general picture of white collar crime research in Greece

The literature in Greece concerning business and white collar crime is limited. The first to write about economic and business crime were N. Kourakis (1974) and Ch. Dimopoulos (1988). Both were influenced by the international literature and provided a theoretical overview. Kourakis identified research conducted by the Hellenic Centre for Social Research (EKKE) in 1983. In this study, the role of the economic status of the perpetrator was investigated as well as perceptions of the public about non-conventional crimes (Kourakis, 1998). Before the above theoretical reviews, the only research conducted was by EKKE in the period 1970-75, concerning the awareness of the public on penal law in which white collar criminality was included. Together with a similar study in Germany in 1974 by Arnold, they revealed the difficulty individuals had understanding the concept. In general, it is expected to find a higher social reaction to crimes against the individual rather than society (Kourakis, 1982). It is evident from the above that the interest in white collar criminality and scrutiny of powerful offenders was initiated in Greece in the 1980s, much later than their international counterparts. Moreover, the analysis provided was an overview of the international perspectives rather than a national analysis of Greece itself.

The field within white-collar criminality that has mainly been investigated in Greece is corruption (Statheas, 2000; Koutsoukis, 2000; Alexiadis, 2000; Bitzilekis, 2001; Basagiannis, 2003). An on-going study funded by the European Commission to examine issues of corruption in 8 EU member states, including Greece was carried out recently by Lambropoulou (2007). Since the 1990s, corruption has attracted much attention both in academia and the media. In Greece, public administration receives the strongest criticism. Politicians continue to consider themselves the main group responsible for corruption control and promotion of transparency in society.

Many times they present corruption as misgovernment, which is considered as a well-tuned term for corruption and an effect of bureaucracy and non-enforcement procedures (Lambropoulou, 2007). The above trend in national criminological research stems from previous research interests in corruption under a sociological or political interest in the phenomenon (Charalampis, 1989; Basagiannis, 2003) that followed the national developments of the political reality of the country after the third democracy was established in 1974.

The latest criminological research on white collar offending concerns economic crimes, which are still the central interest in Greek academia. They seem to be the main focus of current research efforts in Greece, adjusted to the financial problems of the country. This interest started in the late 1990s. Kourakis (2000, 2001) and Kapardis (2001) observe the rise in economic crimes in modern Greece. The two most important and socially damaging forms of this type of criminality are the non-compliance of companies with the law (especially employment law) and corruption of politicians and public officials. A similar approach to economic crimes also comes from Lazos (2000) and from Magganas (2000) who discuss the phenomenon of fraud from a penological and criminological perspective. Fraud via computer use and the relevant law has been discussed by Nouskalis (2003) and the main theoretical and legal concepts of Internet offences like hacking and contamination with viruses have been examined by Faradouris (2003). Serious crime at sea has been discussed by Kyriakakis (2000), and there has been a significant effort to examine environmental crime in a theoretical and legal perspective by Zarafonitou (1996).

In 1987, Pavlopoulos was an initiator of research on the illegal economy and economic crime by focusing on national accountancies. His extrapolations estimated an illegal economy at a percentage of 30% of the national economy. A third study comes from Vavouras and Manolas (2001) that suggested this type of deviance is influenced by economic and political cycles. A latest study in Greece comes from Tatsos (Tatsos et al, 2001, in Vavouras&Manolas, 2001). They estimate that the illegal economy in Greece was more than 35% of the national economy (in 1997) and existed in every economic sector. An important study at the European level is that of Schneider and Enste (2000, in Vavouras and Manolas, 2001). They show Greece as possessing the largest illegal economy (30,1%) at the OOSA scale for the period 1996-97 (Vavouras and Manolas, 2001). The two authors continue their analysis by linking economic and organized crime, where economic criminals operate in the legal rather than the illegal economy. Economic crimes have a dual and anti-social

dimension. They influence the economy and also have a negative effect on the distribution of income and wealth in society. The persons most likely to engage in economic crimes can be identified in the four following categories: employers, employees of higher technical skills, employees of very low skills, populations 'forced' to engage in work outside the formal economy (immigrants, the elderly) (Vavouras & Manolas, 2001).

Further economic and financial crime has been examined at the national level with regard to organized crime and money laundering (Lambropoulou, 2005), domestic cross-business alliances, corporate partnerships and illegalities in the bank assurance trend (Artikis et al, 2008); fraud and false financial statements (Spathis et al, 2002); Stock market fraud and the relevant scandals (Adamou, 2007); and finally the vast work of Kourakis (2000, 2001) on internet crime, tax evasion, EU-fraud, illegal use of intellectual property, environmental pollution, and illegal trafficking of personal data (Kourakis, 2000).

The above research has all been conducted during the last 25 years. This is a consequence of the late development of sociological and criminological research in Greece, as the relevant academic departments and research centers were established just in the early 1980s ([www.panteion.gr](http://www.panteion.gr)). The research funding for social science is additionally small and the primary research conducted is funded for the purposes of social policy and public administration. This suggests that the trends in research follow the needs of the state and concentration upon different topics, which are usually conducted on the individual's own initiative, remains on a small scale.

### Studies concerning business and workplace crime

From an alternative perspective, business crime in Greece has been examined through legal, sociological, policy and psychological analyses. Interest has been shown in the illegalities of the banking sector, breaches of Health and Safety, the policies of the Social Security Offices, the information and knowledge of the national workforce concerning their employment rights and the psychological effects of modern work environments and the relevant EU policies that shape them. Their common characteristic is a policy research drive and lack of any criminological



perspective defining deviance – they mainly project their findings towards relevant developments of legislation.

The social dimension of corporations and businesses has been developed worldwide and is now appearing in Greece, especially in management and financial corporations (Tsadiris, 2003; Thanassoulas, 2004). In the banking sector, there is intense activity in this field, in the form of donations, scholarships, exhibitions and publications. All these activities are voluntary and it is up to the management of each different organization to decide how to achieve this aim (Tsadiris, 2003). While banks and management consultancies tend to appear with a green and social face to the public, Psychomanis (2004) underlines the parody of their attempt by reviewing the current offences perpetrated by the banking sector in Greece. He includes the diminution of healthy employment conditions and illegal appointments. This grey zone of working in banks has further been investigated by Georgakopoulou (1995) mostly describing the serious problem of intransparency in the field of appointments.

Regardless of the legislation concerning social responsibility and equal opportunities in the financial sector, the Greek banking sector is still blind to these issues. The following provide some examples: the code of good practice, funded in 1987, defines responsibility towards it as voluntary; the ombudsman is not an independent organization but functions from within the banking system; the possibility exists to pressure clients without limit; misleading advertising continues and there is a decline in healthy work environments (Psychomanis, 2004). In trying to describe what is wrong with the banking system in Greece, the following must be taken into account. The legislation regulating the banking sector is inadequate. The ombudsman established in 1999 has no actual authority and mainly regulates minor disputes and commercial advertising. The many peripheral enterprises established by the banks have as their main aim the collection of profit. Moreover, the current issue of illegal activities within this sector concerns dubious advertising of banking services, especially personal or family loans. Interest rates are never fully clarified in contracts and this has the effect of increasing personal and household debt, to the extent that the Supreme Court in 1998 tried to offer a solution. Finally, culpable financial practices, stock market gambling, deregulation of healthy employment conditions and avoidance of acknowledging responsibility complete the picture of the modern environment of the national banking sector (Psychomanis, 2006).

The relevant research of business crime within the workplace is weak. The topic has been partly investigated by Kourakis (2000) - he identifies this type of offence as one of the most important economic crimes occurring in modern Greece. He acknowledges the fact that when corporations break the law, it is labour law they usually break. He mentions the significant problems of social and economic character this offence causes and identifies the increase in these crimes after 1994, when the relevant authority for inspections passed to the regional authorities. He also observed other business offences occurring, such as illegal practices eroding fair competition and contamination of the environment.

The primary business offence against employees identified in Greek literature concerns the breach of Health and Safety regulations, especially in the industrial sector. The International Labour Office conducted an overview of the situation in the 1980s and issued a series of educational handbooks and seminars to inform workers about industrial accidents and breach of safety regulations (Tenekidou, 1999). One of the industrial sectors in which vast numbers of accidents and illegal activities happen is construction. In this field, implementation of laws is rarely inspected (Apostolidou, 2000). Another piece of research relevant to health and safety at work comes from Spyropoulos (2000). Spyropoulos (2000) observes that significant improvement has been accomplished in the field of health and safety in the past 20 years but there are still companies – especially small and medium sized – that fail to comply with safety requirements. His three main conclusions are that there is a need for implementation of legal changes and improvements, a need to give priority to the unions of employers and employees, and finally a need to develop a cohesive national policy. Offences related to social security have been identified by the Social Security Offices. According to their 2001 annual report, these offences affected 25% of the labour force (INE, 2001).

This study was initiated after the International Employment Office characterized the health and safety conditions in the Greek industry to be of the lowest standard. The aim of the research was to investigate whether the workforce realized the need to actively implement the new laws established. The methodology consisted of quantitative interviews with employees in the sector of production of transport vehicles and boats, at national level. The main finding was to reveal a vast ignorance of the situation and the proposed legislation from the employees. This ignorance suggested that health and safety conditions would not improve. 57,6% of the participants were not aware of the new legislation, and only 35% had a limited

knowledge. The percentages were higher for the navigation sector, where 64,8% did not know anything about it. These figures additionally underlined the failure of the relevant unions to communicate all the current issues to their members (Smirnis, 2003).

Branis' (1996) research has found great discrepancies in the process of recording industrial accidents. These accidents are registered to the following sources: The Social Security Office, the Hellenic Organisation of National Statistics, the Employment Inspection Unit and The Departments of Industry, Navigation, and Health. The data available from the Social Security Office, which are the most reliable and detailed, suggest a decrease in industrial accidents from 1981. This is mainly due to the de-industrialization of the Greek economy and to a lesser extent the improvements made in industries towards health and safety (Branis, 1996). A Department of Industry initiative established the industrial elements workshops during 1982 and discussed existing health and safety statistics (Dimargonas, 1990).

With the aim of exploring and underlining the positive influence of healthy employment relations to productivity, The Hellenic Centre of Productivity conducted research at the end of the 1980s. Quantitative interviews were carried out in the work environment with managerial staff and with trade union officials. In this way, the researchers were able to gather information depicting both sides of interest in employment relations. The research covered different branches of the economy and different parts of the country. According to the findings, in smaller companies the personal relations between employees and management are intense and are the main cause preventing employees from unionising. Concerning employing health and safety staff, the results were disappointing, equal to those concerning the employment of social workers. Even though there is legislation promoting the above vacancies, less than 40% of the sample employ one of the above professions – and this applies as much for Greek owned as well as multinational companies. Another very important outcome is the small amount of active unions in third sector companies, compared to industry. Any related problems of employees are dealt by personal discussions. Finally, some of the main suggestions made by the researchers for improving the situation of employment relations in Greece are the financial independence of unions, the development of an educational status for their members, improvement of collective employment contracts and training concerning employment relations to be offered to management members, employees and union members (ELKEPA, 1990).

Another dimension of business crime in the workplace is revealed by Kravaritou (2002), who discusses the national and European employment law and modern conditions of the workplace. She acknowledges the fact that there is a serious amount of informal employment in Greece, as well as intense fear and stress in every day work conditions. More specifically, in Greece there is flexibility in working times due to popular unofficial and illegal labour. The legislation is responsible towards the existence of insecurity of people in employment (Kravaritou, 2002). Currently these fears are very evident in the European framework. They exist in the workplace even though they are not discussed – a form of taboo – and can take various forms according to different people and situations. They can also become a chronic presence and have a deleterious effect on human health in the form of stress and panic attacks. If we attempt to map these fears in employment law we can identify them in fears of the working day and fears of the next day. Fears can also be distinguished according to gender. Moreover, classic fear of life-threatening causes (eg work related accidents) and fear related to psychological conditions, are not included in the laws. Regarding reactions to these fears, people are more hesitant to unionise or report violations to the authorities. Working people seem to be more and more hesitant to claim their rights – and the new element in these fears is the occurrence of frequent mental illnesses and psychological disorders, the main outcomes of which are very dangerous but have not yet shown their full scale (Kravaritou, 2002).

The above mentioned research projects carried out in Greece sketch a fragmented and theoretically vague paradigm of business crime theory and methodology. Most white collar crime projects focus on the role of the state and corruption. There is, of course, the current trend to focus on financial crimes and the role of key financial actors in illegal activities, mainly the banking and stock market sectors. This latest event follows the interest and development of the legislation in this area and financial scandals that have interested the media and public opinion and on the declining financial situation of the country. Research related to crime against the workforce is both limited and dated. All the above mentioned projects have, of course, linked such offences to the economy within which they operate, but they have not made the effort to present a complete picture or analysis of the phenomenon. This research, by collecting both quantitative and qualitative data, and by including all relevant actors as participants, aims to provide the missing link in understanding these crimes thoroughly and linking theory to research.

## **The Legal Perspective: From the establishment of labour rights and social security to flexibility, deregulation and the hegemony of the national State**

### Theories on law formation and the importance of the role of political and economic power

In order to give an overview of the issues that concern the legislation of business crime and employment offences in the national and international framework, it is imperative to begin by highlighting the issues that concern legal theory and its relevance to legislation, its meaning and development. Within this overview, the role of power and elites together with the role of the different interests that act, shape and change the law must be addressed. Finally, the relevance of all the above to white collar and business crime legislation will be defined, as it is very important to understand how and why the law can play a pivotal part on what is and what is not legally defined as business crime or not.

The role of law within society has been praised since ancient times. Laws hold true for all individuals and all groups regardless of their different values or beliefs, even though they have different social functions and roles. The laws thus serve to integrate groups with different values by subordinating them to the common code, as discussed by Plato. The concept of Justice, or *dike*, refers to moral obligation of what should be done. In his 'New Society', Plato praises ordinary citizens who intervene directly to uphold the laws – they are to be prized as winners in *arête*, or civic virtue (in Gouldner, 1965).

But the law is definitely not apolitical. The question is, how did the law come to be seen as neutral when so much of it began life in politics and policy? Law, we are taught, protects and preserves civilisation from chaos. But the state of human societies shows that it is not laws alone or even law enforcement agencies, which ensure a peaceful kingdom. A second feature of law seems to be about coercion and force and a set of rules (Mansell, et al, 1999).

In modernity, law making politics and economic development rest on opportunities acquired through contracts. The tempo of modern business requires a prompt and predictably functional legal system. Market hegemony requires a legal system which is calculable in accordance with rational rules (Rheinstein, 1966). To what extent have the demands of capitalist enterprise been responsible for the formal rationalization of the law, and to what extent have juristic factors in turn influenced

the historical development of modern capitalism? According to Weber (in Kronman, 1983), legal and economic conditions have in all periods exerted a reciprocal influence on one another varying from one historical situation to another. Sometimes, economic factors have been of significant importance in the development of the law – either negatively, by directing its growth in a particular direction, or positively, by stimulating the creation of new doctrines and institutions. By the same token, legal factors have often exercised considerable influence on material life, preventing or discouraging the development of certain forms of economic organisation while facilitating others (Kronman, 1983).

Structuralist theory grants the state relative autonomy from the capitalist ruling class. The state typically reflects capitalist interests, not simply through the occupation of elite positions, but through institutionalized relations that are embedded in the activities of the state. Moreover, Structuralists maintain that the state will pass laws that are in the long-term interest of the capitalist class although in the short run its actions may appear to be in conflict with those interests. In the model of Chambliss and Seidman (1982), societal contradictions produce conflict, and it is this conflict that the state attempts to resolve, sometimes through the creation of law. The law reflects the conflicts and contradictions it attempts to resolve, and the process is on-going and interactive (Poveda, 1992).

Conflict Theory generally views the origins of the law in terms of the interests of a ruling class. Thus, legislation is actually supported and sometimes initiated by elite interests. The traditional Marxist perspective conceives economic relations as the substructure and the legal institutions as the superstructure. Laws are made with the intention of producing economic results. We start with a definite legal system based upon a definite economic foundation as it appears in a given moment of history. All economic institutions are at the same time institutions of law. All economic activities, even though they may be extra-legal, are performed within definite legal conditions. (Bottomore, 1973). Garland (1999) argues that the law is an arena for class struggle rather than the exclusive possession of a ruling class. Foucault's (1975) influential work is based on the role of power. In every state, he argues, law is an integral part of the repressive order and of the organisation of violence. He argues that the opposition legality-illegality is false, because law has always gone together with the exercise of violence and physical repression. As Poulantzas (1978) continues, following Foucault, the exercise of power involves a passage from authority-coercion to manipulation-persuasion, aka the internalisation of repression by the dominated

masses. Capitalist law is specific in that it forms an axiomatic system comprising a set of abstract, general and strictly formal regulated norms. All too often it is said that capitalist law obscures real differences behind a screen of universal formalism.

In his work 'The general theory of law and Marxism' published in Moscow in 1924, Evgeny Pashukanis (in Beirne and Sharelt, 1980) consistently argues that there is a homology between the logic of the commodity form and the logic of the legal form. Both are universal equivalents which in appearance equalize the unequal: respectively, different commodities and the labour which produce them. Pashukanis asks two very important questions: firstly, the specific contest of legal doctrines does not explain why the interests of dominant classes are embodied in the legal form; secondly, if under capitalism the struggle between competing commodity producers assumes legal form through the principle of equivalence, then it follows that the class struggle must also appear in the medium of the legal form. How then are we able to transform legal reformism into a revolutionary political practice? Legislation is real history which unfolds itself not as a system of thought, but as a social system of social relationships. People enter these relationships not because they have consciously chosen to, but because the conditions of production necessitate it (Beirne and Sharelt, 1980).

Issues on law are relevant to any regulatory attempt on any type of deviance. For business crime in particular it can highlight important aspects of the definition of this behaviour as crime, the role of victims and perpetrators as defined by law, and all elements of punishment and control. From all the above information on law creation, utility and sociological legal theory the researcher must acknowledge that this project, a conflict theory approach, utilises this in order to analyse the relevant data relating to legal issues and legal developments concerning business crime and employment rights in Greece. The role of power and relations in shaping legislation and the importance of the legislation as basis for the national economy will be incorporated into the analysis.

## The law and white collar crime: The 'Crime or Not' debate

The definition of white-collar crime is broad enough to encompass the violation of several forms of law, not only the criminal law. The focus then is on behaviours that represent a violation of the law committed by a person or group in the course of an otherwise respected and legitimate occupation or financial activity. More specifically, and since the focus is on the wrongdoing of organizations rather than persons, the main offences under study are crimes committed with the support and encouragement of an organization whose goals it intendeds to advance (Coleman, 1992, 1994). According to this definition, attention is focused on criminal acts (of omission or commission) which are the result of deliberate decision making (or culpable negligence) of those who occupy structural positions within organizations as corporate executives or managers (Kramer 1984:18).

The criminal law was developed centred on human beings – with the principals of wrongful act and wrongful state of mind in perspective. So, how can a non-human entity such as a company act criminally and where is culpability to be located? There are two main approaches to this issue: methodological individualism and the organic model. The first approach is based on the notion that all social and economic phenomena are traceable to human agency. Thus, when a business offends, the actions are traceable to the individuals that are culpable. The organic model recognises the power of coordinated collective action. Thus, this model acknowledges the corporate entity as a unit that can stand on its own and can offend and take blame for its actions (Gobert, 2008).

The above considerations link to the debate between Sutherland and Tappan about the definition of this type of deviance as crime or not. On this issue, a serious amount of work has been conducted known as “The Crime or Not Debate”. Before placing this current project within this debate, the main arguments of previous authors must be summarised. One side of the debate can be summarised in Turk’s (2000) observation that ‘..nasty is not synonymous to criminal, and the concept of crime may be useless if applied indiscriminately to anything objectionable by whoever uses the term’ (in Ruggiero, 2007:174). On the other hand, and as Sutherland realised, research on crimes of the powerful is difficult without a willingness to go beyond the legal definitions of crime. Corporate or power crimes cannot be solely identified on the basis of prohibition. Quinney (1970, 1974) underlines the additional role of



occupational member's perceptions, Sutherland (1983) the institutional authority and status and Nelken (1994) the artificiality of all definitions of crime as they are constructed by legal, social and political definitions. Ruggiero (2007, 2000b) highlights the role of invisibility in business crimes which makes the study difficult and the typologies fuzzy. Social inequalities determine varied degrees of freedom of choice and range of actions. Coupled with availability of resources, they allow actors to influence the criminal definitions of their actions. To address corporate criminality requires a political understanding of class power and a rejection of formally legal criteria in assessing criminality and harm (Ruggiero, 2007). Here, the role of power is evident in forming the law and determining which forms of wrongdoing will be the subject of criminal prosecution and which to administrative and civil sanctions. This applies greatly to business offending and to the fact that - as far as this project is concerned – employment and taxation laws keep changing to satisfy a variety of different needs and the current adverse financial situation of the country- and so change the definitions of activities as legal or illegal. The term social harm is very important in any criminological approach. The concept of harm can help link criminal and administrative violations into a continuum of what is legal or illegal activity (Ruggiero, 2007). In addition to the notion of harm, the subject of criminology addresses behaviour that is not only socially harmful but also deviant. The latter is normally applied to the following three areas: breaking of institutionalised rules, the application of stigmatised labels and the perceptions of behaviour as stigmatised/sanctioned (Green and Ward, 2000). In accordance with this, identifying not only harmful but also problematic behaviour is also important into criminology:

*'...by calling unprosecuted acts 'crimes', researchers add moral punch to their claims that state actions are criminal even when no legal action is directed against them. However, by focusing on these acts as deviance rather than crime directs attention to the social movement process whereby claims makers have transformed these actions from acceptable to problematic..' (Chambliss et al, 2010:19). )*

In order to locate this research topic within the above debate, the concepts of conflict, deviance, harm and power must be taken into account. Most of the offences studied are actually described as offences under criminal law, according to the current legislation in Greece, as will be discussed on the next section of this chapter. Thus, the core interests of this study involve criminal offences. There is of course another part of company or employment law or codes of administration of the relevant authorities that describe regulations and offences dealt within those offices that are of administrative nature (Koniaris, 2002). Additionally, that the current trend for

deregulation or decriminalisation of these offences as labour laws are currently changing in order to assist with business growth and with the exit of the country from crisis does not deter the project's aims and the seriousness of this type of deviance. According to Ruggiero's (2007) definition of 'foundational power crime', illegality contains the impetus towards decriminalisation which can shape a new form of legality. New influences on definitions of crimes comes from the current trend for the globalisation of laws in order to assist in growth and regulation of the global markets, in which Greece is a part as member of the EU.<sup>4</sup> The offences this topic investigates are very good examples of offences that permeate the legal definition as the current developments in legislation move towards creating flexibility and deregulation. Thus, examination cannot solely rely on their strict legal definition as crimes.

Legislation is influenced by research and society and it can also influence society in the future. The social field, the everyday lives of social actors and their relationships within themselves and with the field and its structures are the important elements for investigation (Gerber and Fritsch, 1995). This is the second element that defines the study's position regarding the debate as it is connected with the lived experience of victimisations in the work environments and relevant social harm produced. Deviant business actors and deviant work environments lack the respect for employment legislation on the formal side of criminal and civil laws but also lack the production of social value in terms of a healthy and socially just environment for the progress of both the business and the employed individual. This lack of balance in the relationship of employer and employee that produces exploitation and victimisation must also be scrutinised as deviance that produces harm on many levels. And this notion informs the analysis of the data based on harm rather than a strict legalistic perspective.

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<sup>4</sup>The globalization of law may be defined as the world wide transnational progression of legal structures. The theory of the global penetration of law will require at least four elements: actors, mechanisms, power and structures and arenas (Halliday and Osinsky, 2006).

## The Greek legislation: From Social Security to Deregulation

Concerning the legislation of Greek businesses offending the following is a brief summary of the significant points of law regarding the enterprise, employment and criminal law: Greek law distinguishes between the company and the enterprise. The enterprise is not exactly the same as a company, by the definitions laid out in the legislation. An enterprise can be a company but can also take other forms such as cartels, trusts, joint ventures, fusions, groups and others. In the modern development of the economy, there is a great importance placed on enterprise, seen as the union of people towards financial, professional and other goals (Rokas, 2004). Accordingly, there are many different types of legislation that control the organization and functions of a company or enterprise (Rokas, 1991).

The Greek law of enterprises of the services and commercial sector is structured by the following key tiers: commercial enterprises of one person; common legislation for all companies of one person; enterprises of capital, companies of limited liability and special entrepreneurial bodies. All the issues of constitution, initiation, organization, profit, stock and shares, sale and closure of those companies is strictly derived from this legislation (Rokas, 2004). But during recent years, the demand for a more enterprise orientated legislation has become prevalent: legislation not based on the existence of a union of people or a liability (and social liability) of the company. In this type of enterprise legislation, we can find types of unions not of individuals but of one person or an institution. This change has been implemented in order to promote new modern types of entrepreneurship (Rokas, 2004).

At this stage, a brief description of the most current legislation in Greece will be presented, as the laws have changed a few times during the past decade. The above development in legislation (company law) aims at the better management of the usual company problems but also the effective regulation of company deviance and criminality. The first piece of legislation to regulate economic actions of private companies was the N 1348/1918. Under major national conflicts and the World War an intense legislative programme arose reflecting the changed character of the state. With these new laws the state became an energetic actor in protecting social justice (Kourakis & Ziouvas, 2007). Competition law is external to the company, meaning that it regulates a company's relations to other institutions. The legislation (N 146) is not defined in 'class' terms as it does not protect smaller units nor try to correct their

disadvantage. The actual legislation can be characterized as law in the making, as it is molded by the courts. Judges have great power in this, as they have the freedom to interpret the law according to own discretion (Marinos, 2002).

Economic Crimes, according to criminal law (N218/1996) take the form of tax evasion, money laundering, illegal trade, illegalities concerning the national currency and fraud against income of the state. The latter includes the income of the Social Security Offices (Tsigris & Savvaidou, 2000). Tax evasion is considered to be the most significant of all crimes committed against the state. It has always been important for national legislation to be able to sanction this behavior and effectively discover more offenders. The negative effect on state income and thus national budget and policy are the main concerns. The law distinguishes between criminal or administrative sanctions, according to the amount of taxation that has been evaded (Koutsoukos, 2007). Tax evasion is a serious offence and its effects have influenced national budgets as regards the current financial crisis. The latest developments on this will be presented in the next section of this chapter.

A reported increase of business illegalities that started in the early 1990s, led to new legislation targeting the financial sector and the banks. The relevant legislation is N 360/1993. Two sectors currently under its scope are the financial and athletic businesses. The criminal law concerning companies in *stricto sensu* does not include all deviance that can occur within the framework of business – the criminal law *lato sensu* normally incorporates the rest. The relevant pieces of legislation here are state income law, employment law, social insurance legislation and competitions law. When the scope of company law is insufficient, then criminal law will intervene to regulate the situation. Concerning state authorities, the Ministry of National Development is the one which usually oversees everything that has to do with businesses and their operation. The Ministries of Employment and of Justice are usually involved too (Kourakis & Ziouvas, 2007).

The 9<sup>th</sup> chapter of the most current legislation of criminal law on companies (N 2190) offers the general typology of business crimes: crimes of abstract risk (when a certain value is at stake); typical crimes (when certain actions must be punishable, even when they do not really have an impact upon a certain party); pure crimes of negligence (when certain actions are not taking place such as conformity with employment or administrative laws); crimes *en blanc* (when referring to pieces of legislation that can be found in other types of legislation and concern businesses)

and particular crimes, crimes of direct fraud and intention (crimes referring to specific individuals or directors of the company). Kourakis and Ziouvas (2007) made a critical evaluation of this piece of legislation and identified issues with contradictions, inadequacies and improper articulation. Moreover, overlaps, ambiguities and generalities were found, especially in the part defining criminal sanctions of imprisonment when referring to lower and upper limits. These existing contradictions and loopholes can easily be exploited by firms in order to avoid detection and prosecution (Kourakis & Ziouvas, 2007).

Turning on the development of employment legislation in Greece, it can be defined as the sum of all legislative practices that control all relationships that are developed from the offering of depended labour to a certain employer. This means that employment legislation refers to depended labour only, and this also implies specific issues about the role of the state, the constitution, social welfare and the interests of employers and employees (Koukiadis, 1997). The 'new flexibility' has started to influence Greek employment legislation and practice. There has been much debate about its usefulness and the interests it promotes. Social policy has prevailed in this case and the main values of social security as dominant values of the legislation have yet been intact<sup>5</sup>. The European Union is another influence upon the development of Greek employment law, as after the Maastricht Treaty, common decisions have been made regarding employment legislation issues on social security, health and safety, employment contract dissolution and issues of representation and participation (Koukiadis, 1997).

Even though the actual modern employment laws were established in the 1960s, the latest pillar to be added was in 1985 with the addition of laws on Health and Safety at work. The law N1568/1985 has established the regulation concerning Health & Safety at work. The general purpose of this regulation is the obligation of welfare and up-to-standard working conditions from the employer. But in reality, the legislation

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<sup>5</sup>Key concepts and sections of the Hellenic Employment Legislation - Reasons for termination of labour contract: End of contract, because of dispute of parties, after the agreement of parties, retirement, death of employee or employer, resolution of business, change of ownership of business, resignation, lodging a complaint. Types of complaints: (they can happen from an employer too); most common reason is the employee not attending to duties or timetables. This is something that traditionally stems from German legislation incorporated in Greece. The Greek law also provides security from dismissal for certain groups or populations (Pregnant women, soldiers, trade unionists). Extra security is given to group dismissals, especially for employees working for longer periods with a certain company. (Metzitakos, 2005).

has not been applied without problems. Many businesses assign the role of health and safety technician to an already working employee that undergoes insufficient training and thus cannot perform his duties properly. Concerning employment of employment doctors, only 69% of relevant businesses have complied (Koukoulaki, 2003). During the last 20 years and especially during the 1990s, employers and trade unions have been active in the field of health and safety, even though a serious number of their members are still unaware of most of the legislation. And so many years after the establishment of N 1568/1985, it is still considered a formality of businesses and society has not comprehended its actual need and meaning (Kouzis, 2001).

In conclusion, the questions on business and employment offences over regulatory and legal issues are easily defined: What is the role of each social actor in the creation and application of the relevant pieces of legislation in Greece? What is the general character of this legislation and of its enforcement attempt? How does the current condition of the country affect the legislation? Globalization and the current financial crisis are leading to another crisis: one of relations between state and society, labour law and politics. These elements lead further to the existence of a division between reality and legislation (Travlos, 1990). This study will highlight the above division in the analysis of the flexibility and power imbalance in the character of business regulations. Moreover, the inadequate application of these laws will produce more results as well as other issues relative to the criminal justice system and its role. Legislation is stricter with regard to offences related to state income, and punishment is more severe – an issue that relates back to the difference of the regulatory approach on social and financial regulations. Finally, the key trend in the development of national legislation began from the establishment of unions and clearly defined employment rights to the EU trend for promoting entrepreneurship and business growth and finally to deregulation. The most up to date changes that refer to this trend have only recently been developed as an effort to combat the national financial crisis.

Key trends in legislation change as part of the strategy to combat the national financial crisis: The hegemonic role of the state in the balance between economic and social regulation

During 2010, Greece adopted two sets of labour market reforms. First in July, the Parliament voted legislative changes related to overtime pay, severance costs, wages for groups at risk, and government and social partners agreed that the minimum wage would be frozen until 2012. In December came the second set of reforms. This completely deconstructed the previous system where the main social bargain happened at the collective level. The new aim is firm-level wage flexibility. Now, in order to preserve jobs, the bargaining can occur at firm level with freedom to go below levels agreed in the collective contract. In order to empower labour's side in those changes, the creation of firm level unions is enforced as well as the enhancement of controls from SEPE. But are these measures enough for controlling the deviance the new laws can produce? Reporting rates can drop since insecurity increases as well as the competition in the market for job posts under high unemployment and an increase in household expenditure stemming from the crisis and new austerity measures.

The above measures have not been received without formal critique. The strength of law enforcement against unfair dismissals is lower than the EU level, especially for full time posts (European Commission, 2011). Despite high unemployment, rigidities and security hinder labour mobility and create mismatches between skills and firms' needs. The current crisis requires a mix of macroeconomic and structural policies. The second in order to combat rigidities in product and labour markets and the first to balance the debt and budgets and improve tax collection (Moschovis and Servers, 2009).

Concerning the new laws in tax evasion (which includes social insurance tax evasion, among others) Greece has to comply with EU requirements for stricter laws and more enforcement. Company tax law was introduced in 1955 and has been amended several times since. The Greek taxation system is highly complicated. The main characteristics are heavy reliance on indirect taxation and a very large number of separate taxes (Pappas, 1993). Greece can be characterised as having a tax friendly growth model. Taxes on individuals and corporations were gradually reduced but property and capital increased together with VAT (Servers and Moschovis, 2008). In practice, Greece had continued for years to protect domestic companies against foreign competition. It should be noted however that this attitude, even though in

contrast with the Treaty of Rome, is quite common among EU member states (Xanthaki, 1995).

The structural improvement of tax collection remains a significant element of the strategy with measures to accelerate tax-related court cases. This aim was supported by the Ministry of Finance to reinforce actions against tax evaders as well as against specific interests inside tax administration. Moreover, record keeping and data-statistics play a very important role in the monitoring and analysis of the phenomenon of tax evasion (European Commission, 2011). This new piece of legislation is considered a major revolution in Greece for its transparency in the effort to slash the deficit (Carassava, 2010). Its main aim is again the strengthening of the role of the state and the improvement of state income. And since employment legislation stands on the side of social regulation, it is expected that new laws can have an influence on business offending as it is more controlled and regulated on the side of state income and deregulated on the side of social security.

The total power of business and deregulation promoted from the state was one of the factors that led to the collapse of the national economy in 2010. Since then, the state has been trying to reclaim hegemony from business in order to salvage the economy. Thus, the current austerity measures function to promote state power opposite business power rather than promote equality and labour rights. Thus the crisis can also be viewed in terms of 'a crisis of relations' between the state and society, labour laws and politics. These elements lead further to the division between reality and legislation. Finally, flexibility and deregulation continue to be promoted where state income is not at stake, according to arguments on a distinction between economic and social regulation, whereby certain forms of regulation are accorded greater legitimacy than others. Moreover, with social regulation, there are differences between the nature and efficacy of the regulatory strategies.

The financial crisis and EU intervention pose more pressure on the Greek state to promote more punitive legislation and stricter controls in both business and households in an effort to manage the debt and increase state income rather than promote social justice. This translates to increased state hegemony over business and business hegemony over labour. The pyramid shape of capitalist societies has been intensified in Greece and its impact on employment offences and business crime has already influenced the legislation and system of control in a representation highlighting two trends: increased inspection and monetary penalties to increase



state income on one side and weakened labour rights and flexibility/decriminalisation on the other with less cases on the system and less control of victimisation where state income is not involved.

## Chapter Three

### **Methodology: An effort to connect the micro and the macro level of analysis by employing a mixed methods approach under a critical criminological perspective – the case of researching business offending in Greece.**

#### **Critical Criminology as key methodological approach: Unmasking the role of power and relations in business offending in Greece**

In this chapter the key issues regarding the methodological design, issues identified in the field, data analysis and interpretation will be presented in detail. The aim is to develop a detailed, intensive knowledge of the phenomenon of business crime in Greece concerning employment legislation and the role of the regulatory system. Critical criminological perspectives were identified as useful for data collection and interpretation with regards to placing the social phenomena into their social context and unmasking the role of power, relations and ideology. A mixed methods approach was designed in order to collect data that can link the micro and macro level of analysis. This is because the research questions aim to accomplish a rounded analysis offered from the secondary analysis of the official statistics and the interviews with the multi-group of participants.

#### **Key issues in design: An effort on researching the powerful**

Business crime is still an under-researched field compared to other fields within criminology (Punch, 1996). The need for empirical investigation is considerable, since most of the studies conducted in Greece have been conducted using mainly secondary data. The key aim of this research project is to examine business offending in Greece regarding employment legislation. The study seeks to incorporate both elements of agency and agent, structure and relationships into the investigation, grasping the full picture of deviance. A multi-method research design was adopted as more appropriate to meet the main aim. Both quantitative and qualitative methodologies were identified as useful. The topics that fall within the framework of white collar criminality usually employ mixed methods techniques, in order to facilitate the investigation of a sensitive topic, since it involves powerful actors in society (Lee & Renzetti, 1993; Hoy and McCarthy, 1994). In business offences, especially those focusing on employment and labour market issues,

qualitative research has proven especially useful uncovering all hidden aspects of the offences occurring in the workplace (Friedrichs, 1995). Case studies, quantitative data, surveys and interviews have also been widely used, as have official data and records (Friedrichs, 1995). The multi-dimensional aspects and actors involved in these offences require a triangulated methodology (Punch, 1996).

The primary focus is companies of the third sector of the economy, that predominates in Greek business. This sector includes commerce and the services (Spyropoulos, 2000). This study, then, examines the predominate form of business in Greece and, in particular, the financial and commercial services. The issue of 'unit' arises. For this study, to look into the most dominant type of business then was to look into the deviance of financial and commercial services. Here, one finds the question of unit. At the locale of Greek business, the main type of unit is small or medium sized. In financial services this comprises accountancy and insurance firms and at the medium size the banks. In commerce, shopping centres and supermarket chains at the medium level and local shops as small business.

In specific, how to discover existing data regarding business offences in relation to employment legislation was a key concern when designing the research strategy. The organizations that deal with this type of deviance were first targeted. Thus secondary statistics was a first evident source of data. Afterwards, the officials employed by these organizations were addressed as another group of possible informants, and talks with them concerning their knowledge of the phenomenon was considered as a method of data collection. Qualitative interviews were immediately identified as another tool for data collection. And since the phenomenon included employees as victims and business managers and owners as perpetrators, a possibility to approach them was sought, as well as union members that usually intervene in cases of disputes in employment. In a sum, the project employs a mixed methods approach of qualitative interviews with members of the four target groups and secondary statistical analysis of the official records of crime rates as recorded by the organizations that deal with the regulation of business offences. More detail on the research strategy and design will be offered in the next section.

Since this topic focuses on the operation of national business and the deviance it can produce, there will be issues arising from the attempt to conduct research on the powerful. Researching powerful individuals generates a unique set of dilemmas and complexities (Duke, 2002). This different perspective switches the focus from issues

of crime and punishment to the role of the power that elites possess that can influence their deviant behavior as well as their experience of regulation and control. The qualitative tradition in research offers a distinct set of advantages in studying policy, legislation and regulation. The relative lack of study on powerful offenders underlines a general reality of the social science research agenda, mainly influenced by funding bodies and policy organizations (Neal, 1995). The focus on the powerless is basically linked to state intervention on social disadvantage and vulnerable groups in need of reformist programmes. The lack of research and knowledge on the powerful contributes to a mystification of their role and maintenance of privilege in society (Box, 1983). Research on these groups has the potential to expose instances of their power and influence. Thus research becomes a political act (Hunter, 1995). Mainstream research unwittingly reproduces existing power relations (Cassell and Symon, 2006a). In this framework, comes not only the selection of the research topic, but also the main methodological approach to be used for data analysis and interpretation. Thus, the critical tradition that objects to the positivistic scientific method of objectivity and locates the social phenomena in their specific social and historical context (Harvey, 1990) was selected as the most appropriate methodological approach for this study.

### The choice on methodology: Critical Perspectives and the politics of research.

The critical tradition objects to the positivistic scientific obsession with the method of objectivity and locates the social phenomena in their specific social and historical contexts. It examines how they interrelate with one another and with ideology and social structure (Creswell, 1998). In Critical Criminology, the focus is on the unequal distribution of wealth and power in society and how this influences crime and deviance – thus, exposing power and unequal relations is the key aim (Kellner, 1989; Schwandt, 1990; Calhoun, 1995). In critical research the nature of reality is material and external to the human mind. Research usually seeks to establish what underlies the surface appearance of a phenomenon, to reveal the oppressive nature of social relations and to inform social change (Stubbs, 2008).

When crime is a political and moral construct, doing research and theory in criminology is itself inevitably linked to the political landscape (Stubbs, 2008). And business offending relates to employment relations and the role of the state as

regulator and provider of the wider social and political consensus. This investigation is therefore a criminological enquiry that additionally examines the role of politics and the state as an influence on crime and punishment. Politics in research is meant by the non-party-political sense of working through of power and its exercise, which plays an important role in social research. This political dimension of research can additionally be identified in issues on methods, such as gaining access to participants and data. This can also involve a political process of negotiation with gatekeepers and organizations (Bryman, 2008).

The pioneering contribution to this perspective derives from the work of Taylor, Walton and Young (1973), 'The New Criminology'. The three authors argued that existing theories of crime do not look at a wide enough range of questions about crime, and have ignored wider conflicts: the wrong crimes and the wrong criminals were being focused upon. This new theory of crime incorporates concepts such as class, race and gender, religion, the social reaction to crime and the structure of modern societies in order to explain crime (Van Swaaningen, 1997). Early critical research focused on issues of class background, a classical topic of critical investigation (see Willis, 1977; Griffin, 1985). In issues of employment relations and business offending, Barlow (1993) investigated the structural conditions that facilitate small business crime: Opportunity, the organization of work, unstable economic conditions, imbalance of power, ability and control, favourable enforcement strategies and the symbiotic relationship between business, politics and organized crime. Brinc (1986) attempted to estimate the dark figure in labour disputes via the analysis of court records.

Finally, critical criminology has been used in parallel with other approaches in business crime research. For example, Hallsworth (2005), using a feminist approach, parallels the corporation with feminine cultural elements - effeminized culture in the form of appropriation. This analysis makes an effort to analyse the current corporate social responsibility trend under the scope of power and gender paradigms. Additionally, Lippens (2003) approaches the phenomenon of business culture and ethics both psychoanalytically and semiotically.

The above framework informs the choices of this project concerning the implementation of research, the data analysis and making sense of the data. Concerning choices of methods and techniques, critical perspectives do not rely solely on quantitative or qualitative methods in order to investigate their research

questions. They employ qualitative, quantitative or mixed methods approaches, since it is the nature of the question that informs the methods and techniques and not the other way around. Critical researchers do not restrict themselves with methods; these are mainly defined by their political approach on both theory generation and research implementation (Bryman, 2008).

And since the main methodological approach and the key elements of the research design have been explained, the next step is to present the link of theory and research, how the fieldwork relates to the theoretical concepts, the research questions and aims of the study.

### Linking theory and research: Mixed methods as the link of the levels of analysis

*‘...there is two-way traffic between social theory and empirical research. Systematic empirical materials help advance social theory by imposing the task and by affording the opportunity for interpretation along lines often unpremeditated, and social theory in turn, defines the scope and enlarges the predictive value of empirical findings by indicating the conditions under which they hold....’ (Merton, 1967:149).*

It is really important at this stage to explain the link between theory and research and fieldwork for this study. The research questions, key methodological design and theoretical concepts from the critical perspective with which the researcher is working all link together in an effort to investigate business offences in Greece. This will be accomplished by unmasking the role of power and relations, the political dimensions of the phenomenon as it runs through both micro and macro levels of analysis: found in the work environment in the relations between employers and employees and the structural level in legislation and regulation and relations between business and the state.

In this design the link does not refer to testing hypothesis or theories rather than the generation of theory from the data. Concerning the methodology, the qualitative dimension can uncover the elements at the micro level, the experience of victimisation and the experience of reporting offences and approaching the regulatory system. The quantitative dimension will bring more light upon the extent of crime, the function of the system at the agency level, as well as the experience of offenders when dealing with the system of control. The answer to the different questions works as a link, as it is not unlikely to happen in mixed methods designs (Bryman, 2008).

Research questions which are prefaced by 'how' and 'why' normally refer to a qualitative investigation. And this applies to the main research question of the study:

"How can the occurrence of business crime over employment legislation in Greek third sector companies be analysed under a marxist critical criminological scope with focus on the role of power and relations imbalance?"

The additional set of questions are also important to the methods selected. What are the structural factors that can influence this type of deviance? What is the structure and function of the regulatory system and how does this influence business crime and its control? What is the extent of business crime of financial and commercial services in modern Greece over illegalities on employment legislation? How does the culture of the work environment and Greek business practice contribute towards employee victimisation and offending behaviour? What kind of social harm can this type of deviance produce?

From the research strategy it is easy to understand that the qualitative data will mainly address the research questions that focus on processes, purposes and cultures and the quantitative data will offer the wider numeric picture and extent of this type of criminality, its typologies as well as the pathway into the regulatory and justice system. Concerning the effort to explore the nature and basic elements, criminogenic culture in the work environment and the effects of this type of criminality, qualitative research is the most appropriate. Research on opinions and ideas which explore cultures and their effects is the topic of qualitative investigation into specific groups of people (Duke, 2002). For this project it will prove useful to know about the work environment in Greek companies, their criminogenic elements and the issues that derive from the existence of these crimes within the workplace and the society and life of modern Greece.

This notion supports this approach as well as the descriptive nature of the statistical analysis. It enables triangulation, facilitation and provides a complement to the qualitative findings for more explanation and validity as well as reference to the relevant research questions. Quantitative measures can offer important descriptive data but are less able to assist with meanings and choices in a regulatory process that the qualitative approach can provide. Nor can they help with understanding the experience of work place victimization.

The main issues stemming from the use of the critical perspective in criminological research are relevant to the key concepts used in this project. Working towards a critique of the existing status quo concerning the occurrence of business crime, employment relations and the development of Greek businesses and their influence on Greek society are significant aims of a critical analysis. Additionally, exposing the role of ideology in the above defined areas is important for the current investigation, especially as it influences the class consciousness of the workforce and trade union action. Finally, the part played by the state and its role as regulator must be critically analyzed employing the above concepts of power and relations. These concepts relate to qualitative methods as the interpretative model of analysis of the data. Blumer (1954:7) argues against definite concepts in social research; he proposes sensitizing concepts' that provide 'a general sense of reference and guidance in approaching empirical instances'. This definition is usually employed in qualitative research and coincides with a preference for more open ended and a less structured approach. The quantitative methods on extent, typology and regulation can still connect with the concepts of power and relations and any relevant additional ones stemming from the qualitative data since they can identify influences of power on the regulatory system, links of state and business clientelism and the role of power in the relations in the workplace in viewing the extent of the phenomenon.

**The Research Strategy: Employing mixed methods as an attempt to investigate a network of participants - An attempt to uncover relations in the work environment, state and business power links and regulatory processes.**

The research design: employing a mixed methods approach and a multi group of informants

As mentioned in the previous section, a mixed methods approach and data collection from a multi-group of participants has been designed as apt for this study, as usually happens in the investigation of white collar crimes (Punch, 1996). A mixed methods approach can expand understanding of certain phenomena from one method to the other and thus be more informative. Additionally, it can give confirmation of findings from different data sources (Creswell, 2003). Mixed methods are one of the best options to employ when researching any sensitive topic or one that is in any way "hidden" and thus more difficult to research (Lee & Renzetti, 1993). The sensitivity in this case involves the security of work environments and organisations.



Hammersley's (1992) classification of approaches on mixed methods informs their usage in this project. He refers to the three main uses of mixed methodology: Triangulation: the use of strategy to corroborate another's findings (offers greater validity); Facilitation: one strategy employed to aid the other; Complementarity: when the two are used to assist in different aspects of the investigation. All the above techniques will be employed where necessary for this project to be able to bring light to the phenomenon of business crime. For example, triangulation will be employed when analyzing data on the regulatory system and the extent and typology of the offences. And, Complementarity refers to the different research questions, as already mentioned previously, and the multi factors influencing the occurrence of business crime at structural level.

The qualitative dimension of the research strategy includes semi-structured interviews based on issues identified from the literature but of qualitative nature in order to allow in-depth investigation. <sup>6</sup>The relevant steps to be followed were designed as the following: implementation of interviews with trade union members and with employees via the use of personal contacts, snowballing, and trade union contacts; Arranged focus groups/ interviews with officials of public sector organizations dealing with business crime; Arranged focus groups/ interviews with managers of third sector companies or representatives working for managerial and business associations.

Qualitative interviews are the main qualitative instrument for this project. The interview remains the most common method of data gathering in qualitative research. What type of interview can be considered qualitative? The types that fit the label are normally referred to as in depth, semi- or un-structured. The interviewee is seen as a participant in the research, actively shaping the course of the interview rather than passively responding to the interviewer's pre-set questions. The goal of qualitative research is to view the research topic from the scope of the participant and to understand how and why they come to have this particular perspective (Cassell and

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<sup>6</sup>Contemporary qualitative research is the development of more than a hundred years history (Willis 2007). The relation between language and rationality has a precedent in the western tradition in the Greek concept *Logos*. It can be translated as both discourse and reason (Ulin, 1984). This approach has been mainly influenced by hermeneutics and interpretivism, and has been thoroughly used by the Chicago school of sociology in the 1920s and 1930s (Blaikie, 1993). It was further used by social anthropologists, and in current times post-modernism and feminism have developed qualitative methods as a strong research methodology in social sciences (Denzin& Lincoln, 1999).

Symon, 2006b). In this project's perspective, the different views, information and knowledge of the phenomenon from the different experience of the employees / victims, employment inspectors, unionists and business managers will be adequately collected via interviews, as the informants will have the freedom to share their knowledge and experience and address the topic's issues without a predefined set of questions restricting their input.

A questionnaire was created, in the form of an interview guide, in order to assist the researcher in structuring the main themes of interest to be discussed with the interviewees<sup>7</sup>. These main themes drew upon the aims and research questions of the study. The literature review provided additional information on central themes and components regarding business crime. There are normally three sources for topics to be included in an interview guide: the research literature; the interviewer's own knowledge and experience of the area; and the informal preliminary work such as discussions with people with relevant experience (Cassell & Symon, 2006b). The main themes identified concern talks with employees regarding incidences of victimisation, the effects, the experience of the regulatory system, information on legal rights and the identification of instances of workplace deviance, as well as the general perception of the frequency of the phenomenon. With unionists, the talks were directed at their duties and role in regulation, their observation of problems with the regulatory system and issues on legislation. The inspectors were asked about their duties and relevant issues arising, their experience with people reporting offences, the costs of deviance, issues on economic activity and legislation and their suggestions for improvement. Lastly, with business owners and managers the discussions focused on relations with the workforce and the authorities, cases of reporting against them, procedure and costs, their input on why deviance occurs and how prevalent it is within issues of legislation. It must be noted that the above were just a few themes opened and that guided the discussions; the interviewing process unveiled a lot more interesting topics and information.

The interview guide was piloted during the first 3 interviews and new additional themes of importance were subsequently added, such as the role of inspectors in discovering cases of criminality, the limitations of the inspecting procedure, the influence of the current unionisation environment in Greece, and the role of problems and needs of the banking and financial services sector. The types of

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<sup>7</sup> The interview guide can be found in Appendix 2.

questions used in the questionnaire guide were mainly probing, specifying direct questions. Thus, the guide and the implementation of the interviews allowed for unexpected themes to arise. During the time spent in the field, the most important themes that unexpectedly arose were properly incorporated in the guide, in order for them to be fully investigated in the following interviews that were conducted. Some examples of these are the role of the HR department of companies, the relationship between the employee with the union representative, the social characteristics of employees and their influence on their case.

The quantitative technique was designed to include the collection, analysis and interpretation of existing statistics from all relevant public sector agencies and the courts. The enforcement agency statistics are the most likely to contain the most accurate occupational, corporate and business crime information (Green & Geis, 1997). The quantitative tradition focuses on measuring typologies and rates in business crime research. These studies offer as the main outcome the evidence that business crime is widespread among respectable economic actors. It shows business crime as widespread and pervasive in modern capitalist societies (Slapper & Tombs, 1999). Thus, the quantitative design will help picture and measure the extent of the phenomenon as it has developed in modern Greece. The quantitative element, used here in strictly descriptive nature, is not intended to test a hypothesis. Moreover, because of the limited nature of the official statistics and reports gathered, as well as the quantitative dimension not being the sole focus of the research, a statistical meta-analysis was not possible. A critical approach to statistics claims that in summarising complex information, statistics will lose some of the complexity and certain simplifications and omissions will follow (Carrabine et al, 2009). For these purposes, the project has maintained a small statistical dataset that will guide the relevant research questions and aims.

### Justification of the research design

The choice of research design is based on the aims and questions of the study and must be further explained and justified, especially as to the nature of data to be gathered and their positive and negative aspects.

The first issue one needs to address is the ontology and epistemology of the design. Concerning these important questions in social research, there have been great debates over the possibility of mixing methods and techniques (Bryman, 2008). The main debate arguing that research methods are rooted in epistemological and ontological commitments, thus, mixed methods is not feasible or desirable. Nevertheless, research methods are much more 'free-floating' in terms of epistemology and ontology than it is often supposed (Bryman, 2008). The technical version sees them as compatible, an argument agreeing with the critical criminological perspectives and in accordance with this project's approach.

The mixing of the methods in this study is employed for greater validity, to account for the different research questions, greater credibility, completeness (gaps left by each method filled by the other), context, diversity of views, enhancement, utility, explanation, offset (to limit the negatives of each approach), and to approach unexpected results. At this point it must be noted that the researcher by use of mixed methods does not imply this method is superior to a mono-methods approach, only that it offers a more adequate design for this project as far as answering the questions is concerned. Moreover, the two methods must link – must be integrated in writing up to provide fuller understanding of the phenomenon under study in the form of comparing, contrasting, and building on (see Bryman, 2008). Thus, the structure of the results chapters is thematic.

The main body of theory will emerge from the qualitative data and the quantitative part will be complementary to this theory by providing a wider picture and addressing the questions that cannot be answered other than numerically, as mentioned in the previous section. Thus, the relationship between the quantitative and the qualitative data is evident. They are going to be presented and linked according to themes. The quantitative data will provide the macro information, the amount of criminality inspected, the typology of criminality and criminal prosecution and within this wider picture, the qualitative information will help to produce the specific environment and details that characterize these types of offences, as well as the role of each actor involved – victim, offender, unionist, and inspector.

The main criticism of qualitative research is that it concerns the totality of personal impressions strongly subject to researcher bias and that it is not reproducible. A reply to those criticisms, however, is that all is based on the fact that all research is selective, that there are statistical representations of qualitative data and that all

research relies similarly on observation. The role of the researcher can, therefore, be influential in both quantitative and qualitative research (Mays and Pope, 2000). This criticism and counter-criticism applies to all qualitative research, and therefore to this project as well. The researcher, in order to combat the problem of subjectivity, capitalized on saturation concerning data and concepts, employed a multi group of participants and added the quantitative dimension for purposes of triangulation, facilitation and complementarity.

Sources of data for criminological research are usually agency based records, such as criminal complaints and arrest records; victim based records, criminal based records, and any counts of crimes and criminals based on direct observation (Green & Geis, 1997). It is obvious that in order to explore the extent and typologies of crime occurrences, quantitative agency records are necessary. The use of official statistics in research has always been contentious.

Official statistics have been a controversial area of research for many years. Their advantages include: time saving; making longitudinal (analysis in time frames, like this one) analysis possible; connection with data on how they relate to wider social changes and structural issues that can be employed as link in this project for linking issues of the regulatory system with the legislative dimension. Their greater advantage is that they are an unobtrusive method not prone to reactivity thus the influence on individuals knowing that participate in research. The secondary analysis of the official statistics will offer new interpretations and provide further insight for criminological analysis.

The negatives points of employing official statistics are: that reliability can be jeopardized as definitions of phenomena measured can change over time, and results can be viewed as indices of organizational processes rather than forms of behaviour. They are tailored to the needs of the organization not the social researcher, even though there are those (Bulmer, 1980) who think this divide is not as great as believed. The first disadvantage is not applicable to this project as the official statistics gathered cover only the last decade. But the fact that they represent an organizational structure rather than a measurement of a social phenomenon is a negative aspect that influences the results in connection with the dark figure that cannot be measured – and this is an inevitable limitation of this study.

## **The Methodological Journey: Approaching the Greek public sector, business world, unions and employees of third sector companies**

### Implementing the fieldwork: Issues of sampling, location and time spent in the field

In an effort to describe the methodological journey the researcher undertook in order to implement this research, it is useful to begin by mentioning the length of time spent in the field. The data was primarily collected between September 2006 to February 2007. A short pilot study occurred in the summer of 2005 when three interviews took place to gain some first data and insight into how the interviews were working. Then, another shorter period of 6 weeks was spent in the field between May and June 2009 in order to complement the data already collected with an extra 5 interviews. These sought to include the dimension of the financial crisis that had occurred in Greece in conjunction with the global financial collapse and how the new situation influenced business offending and workplace crime. The data was collected in Athens, the capital of Greece. The exclusion of other places happened for two main reasons: first, because as far as the official records are concerned, the central administration of the authorities is in Athens, and the records they keep refer to the national level, so it was unnecessary to travel outside the capital for extra material and second, because the interviewing process included a vast amount of participants from all relevant groups that referred to the local areas as well, thus, no extra material of interest would be expected to be generated from the locales of other cities of the country.

The organizations that took part must also be described as far as their nature and size are concerned. The public sector authorities that were approached were the Unit for the Combat of Economic Crime, The Employment Inspections Unit and the Social Security Offices. All of these organizations keep records of business offences that occur annually, they publish them annually and they all have authority to implement inspections and issue penalties to offenders, if they do not refer them to civil or criminal courts. In Greece, The Employment Inspection Unit was established in 1999 by the Ministry of Employment and Social Security. Its main function is to oversee the application of employment legislation and has powers to investigate cases 24 hours a day. Its branches can be found throughout the country and inspectors are available daily on the relevant hotline for reporting illegalities. The Social Security Offices have their own unit for inspection and criminal prosecution that only deal with cases of evasion of social insurance contributions and medical cover ([www.ypakp.gr](http://www.ypakp.gr)).

The businesses visited were both of financial and commercial services interest and Greek owned. Two local commercial companies were visited via personal contacts as well as an insurance firm and a consultancy. The Union of Hellenic Banks and the National Commercial Chambers were additionally included. These two organizations declined participation but offered access to their libraries for possible identification of relevant publications.

The unions relevant to third sector business and professions were identified through the catalogues of the GSEE and approached through the contacts listed there. They represent the collective instrument of the unions and union members of the companies of the third sector in total or financial and commercial services. More specifically, The Union of employees of Hellenic Banks (OTOE) participated representing the sector, The Hellenic Federation of Accountants (POL) representing the professional body; The Hellenic Union of Insurance Sector Employees (OASE); The Hellenic Union of Employees in Commercial Service and Private Sector Employees and finally The Trade Union Front (PAME), a union front founded in 1999 with a membership of 2,500 elected trade union members. These organizations mainly represent unions in secondary organization at sector level as the relevant unions in the third sector are not as large and representative as those in the industrial sector.

In order to approach participants, a non-probability sampling technique was used, which is less complicated and employed where there is no need to make a statistical generalization to any population as well as purposive sampling (the researcher's judgment as to typicality or interest). Furthermore, snowball sampling was also used (the informants identify other members of the population who can be approached as possible informants). This technique is especially useful where there is difficulty in identifying members of the target population, and it can be seen as a particular type of purposive sample (Bryman, 2004). Unionists and public sector officials were keen on assisting the researcher with the identification of possible informants; personal contacts were further employed in order to provide more participants from the business world and those victimized with regard to their employment rights.

## The Interviewing Process

At this point it is interesting to look at the interviewing process, present experiences in the field in an effort to approach informants from the four target groups and identify some significant issues that facilitated or posed obstacles to the interviewing process and the qualitative data collection.

The initial aim was to successfully approach the public sector organisations and their officials, since they were the ones carrying all the knowledge concerning business crime and good co-operation with them meant that they could guide the researcher through the field. The function of the public sector in Greece is based on the notion of authority and position within the structure of the organisation. Patience and assertiveness are key qualities to have when attempting any research with high status participants. Greeks do not like to be hurried and this applies more strongly to the function of the national public sector. Formal procedures had to take place in order for the researcher to be able to gain access to materials and participants. The formal documents requested were provided every time. Bureaucratic procedures and length of documents for proof of identity are bound to be requested, as the public sector bases its function on them. Getting through the first person is the key when addressing your interest to an organisation that you do not know. Many of the civil servants and employment inspectors that participated in the study were interviewed for the first time with regard to their knowledge of the phenomenon. Some organisations visited were reluctant to share much information outside the book of operations but were happy to explain their purpose and implications in the combat of business crime. Others were more confident or secure and revealed more in-depth information. State officials are often skeptical about qualitative research and its usefulness as they are often seduced by quantitative approaches, its neutrality and 'scientific' evidence (Duke, 1999). Other forms of data offered were general observations about victims and offenders, things that needed to be improved and referral to characteristic cases. They always shared their relevant publications and statistical reports, as of course they are items of free access to the general public.

As far as approaching the business world is concerned, it is very important for a project to appear interesting to the business world in order to be accepted by them. As business always operates under the notion of time as profit, they would not invest time in something that would seem of 'no use' or even threatening. Greek business is not typically large scale as is the case in other more financially developed



European countries. The researcher approached certain individuals from personal contacts, and then approached the business associations that represented the companies operating in the third sector (commercial and financial). The participants approached through personal contacts were already informed about the research from a gatekeeper. The participants who were obtained from liaisons with the associations were recommended from a person within the association, usually the director or research manager. My initial communication with the association was to request a meeting with the relevant person where I would formally introduce myself and the aims of the research via a letter. The letter in the case of business was written in a way where no stigma was attached to business operations as criminal, and mainly stressed the role of employment relations more intensely rather than business offending – but without masking the main aim of the study to avoid appearing deceptive or lead the interviewees to talking about another theme.

There can be difficulties in gaining access to elites. They have the power to create barriers, shield themselves from scrutiny and resist the intrusiveness of social research. There is also a perception amongst researchers that the powerful are difficult to access thus providing an excuse to exclude them from the focus of the study (Duke, 1999: 84). Elite respondents are normally keen on knowing ‘who else have you spoken to’. Physical access to such participants can be easier than gaining actual access to their opinions and views and performance and conduct during the interview is very important in this respect (Duke, 1999). Data off the tape can facilitate the researcher in understanding and is sometimes requested – it was allowed in this project as the participants themselves have sometimes underlined their desire for their ‘specific statements or naming of cases and company names to be completely off the record’, a request satisfied by the researcher.

The researcher had no previous experience with contacting unions and this was an issue that needed to be addressed before the initiation of the fieldwork, as it could influence participation and data collection. Knowledge on issues on unionisation and unions operating in Greece was sought from the relevant literature, and discussions with academics working for the General Confederation of Employees in Greece prior to actually going in the field to liaise with union officials and gain access to materials and participants. The unions were initially approached via the General Confederation. The research manager offered a list of contacts of all unions operating in the third sector and additional help and advice on establishing contacts. This way the researcher was able to initiate communication with these organisations by letter and

discover which were interested in participating in the research. Union leaders were usually very interested in the research project and normally appreciated the effort of someone approaching them and having an interest in their goals and in their knowledge of the Greek work environment, business offending and employment rights. They were the only target group that did not feel at all threatened by the project and requested to see results and publications when available.

Personal contacts, contacts from unions and regulatory offices and snowballing was employed in order to approach those affected by business offending in the work environment. The general approach of gaining access to employees who were victims of business crime was to be sensitive to their case and not to appear threatening to either their work position and work environment or their personal and family situation. When actually carrying out the interviews, it was important never to appear intimidating towards the family environment, nor the person's decision making about their current employment status. Some participants felt insecure about sharing information concerning their current employment but were comfortable discussing problems in their past ones and an approach where no blame was involved was necessary. Care must be taken when interviewing participants to make them feel respected as 'knowing subjects' and not make them feel exploited or used as 'known objects'. To be studied is to be vulnerable (Gusterson, 1995: 193) and this is especially true in this case for the victims of business offences. This is a conclusion that was observed early on, and thus managed better in the following interviews. As such the interviewees offered more knowledge about their current status, experience of victimisation and system of control.

Concerning the specific techniques employed in the field in order to conduct the interviews, a thorough survey of materials and articles on implementing qualitative interviews was consulted beforehand (Bryman, 2004; Silverman, 2000). Additionally, successful or not successful elements and techniques were also identified during the interviewing process and, therefore, could be avoided or repeated in the interviews to follow. The participants' knowledge on social science research was a very influential element for success. Those interviewed that expressed knowledge on research or had participated in research projects before were amenable on being tape-recorded and felt more relaxed in the first stages of the interview. They were keener to participate as well and were more able to understand what happens to the data generated from the interview.

Starting out by the introduction of self and topic and continuing with flexibility to allow the participant to get accustomed to being interviewed for academic purposes, the interviews were characterized by an informal style, a thematic approach and the assumption that the data is generated through interaction (Mason, 1996). The objective was to focus on the participant's experience and knowledge in order to generate as much qualitative data as possible. The conversation ran freely but the guide was used in order to touch upon all the areas of interest. Participants were given all time and initiative to talk freely about their perspectives and points of view and mention any additional topic they felt needed addressing to their position and experience. Thus, even though the interviews are classified as semi-structured, the flexibility of qualitative research did not fade.

All interviews were conducted face-to-face, during office hours. All participants signed the consent form and were provided with an additional letter of the researcher's credentials and contacts, information on the research topic and a thank you letter. The venue where the interview will take place can determine the level of formality. Time can also play a part in terms of power and control (Duke, 2002). In this case interviews were conducted within the regional offices in a formal but confidential environment. The length of these interviews ranges from 45 to 90 minutes. They were conducted in public space meetings with the participants (cafes, restaurants) and offices of the participating organisations.

### The data collection outcome

The fieldwork produced 39 qualitative semi-structured interviews with members of the four main target groups. The following table illustrates the classification of participants.

Table 1: Classification of Participants

Category	Number
Employees	13
Business Managers	8
Union Members	8
Inspectors	10
<b>TOTAL</b>	<b>39</b>

In order to describe the people that participated in the interviewing process, mention must be made of the four different target groups of the project. The highest number of participants comes from the victims of this type of deviance, the employees in commercial and financial firms in Greece. Their gender divide was 8 women to 5 men. Their age ranged from 25 to 35 years of age on average and their educational level was mainly secondary education for those working in commercial services and university graduates for those working in the financial sector. Most of them had a career in the field for a number of years, thus their position was higher than newcomers. Many of them had approached the regulatory offices for their cases or dealt with them internally through HR. Some of them had not approached any agency. On the other side, the managers were mostly men – not at all strange because in Greece the gender divide is still strong in senior positions for both public and private sector – of an average age of 50 years. In senior positions if not the business owner and more than half of them with a university degree. The inspectors participating also had acquired higher level education (university or technical) and were mainly in senior positions. Their average age was 45-50 years, a fact that meant a long career. Some of them had additional duties in their departments except the inspectorate: a theme that was identified in the interviews as well, as their other duties can keep them from producing as much work in inspections as they would have liked to. Finally, the unionists that took part were all leading members in their organisation rather than a simple member. They were all men except for one woman with an average age of 45 – 50 years. They all held university degrees except two with secondary / technical education.<sup>8</sup> From the above summary it is evident that the

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<sup>8</sup>The detailed list of participants can be found in Appendix 3

researcher gained access to people with knowledge and experience in their field that were able to share their insight concerning business deviance in Greece.

Continuing with the secondary data collection section, the researcher has identified all relevant agencies working within the field of business crime regulation and has sought all relevant material available. Gaining access has been established by formal petition for access to the reports with the provision of all relevant documentation. A large proportion of the relevant statistics is of free access to researchers.

The researcher has collected statistical reports and published data from the following agencies: Annual Reports of the Employment Inspection Unit (2000 – 2009); Monthly Employment Data of the Social Insurance Institution (1997 – 2003); Annual Statistical report of the Social Insurance Institution (1997 – 2003); Statistical Report on Health and Safety Accidents and Offences from the Institution for Health and Safety at Work (1967 – 2000); Epidemiological data on health and safety accidents and offences from the Institution for Health and Safety at Work; Statistical data from the Penal Courts on numbers of cases entering and going through the court system. This last piece of data is unofficial (unpublished at this moment) and concerns the most up-to-date information (year 2006). It was officially given to the researcher after written application to the director. These cases only refer to offences against social security rights that are collected under the authority of the Social Insurance Institution; Further data stems from the courts, the Annual Crime Statistics from the Hellenic Organization of Statistics and the Annual Reports of the Unit of Economic Crime Investigation. Gaining access to this information offers more insight into the regulatory system as well as enabling the researcher to make comparisons with other financial and conventional crimes, and draw conclusions on business offences of employment legislation and their share of business offences in total.

### Limitations and Problems

Gaining access to the specific population of participants did include certain obstacles, since there is a vast dark figure and a negative public perception of these offences; something like a 'taboo' against revealing issues and problems in their work environment or exposing their employer to the public, or undermining the success of their case with the authorities. Security is always a demand with people that report

offences and this adds to the reluctance to talk about it. But most importantly, since the offences occur in the workplace, there is always the fear of exposure of the informant and a probability of redundancy that restricts participants from coming forward. This element can characterize this sample of participants as a hidden population. A population is hidden when no sampling frame exists and public acknowledgement of membership in the population is potentially threatening. Existing procedures for sampling these populations are snowballing, chain-referrals and targeted sampling (Hechathorn, 1997), as mainly adopted in this study. Moreover, problems with restrictive ethical codes, as Ferrell (1998) has underlined, could have a negative effect when researching closed worlds, 'taboo' issues or hidden populations. The strategy used in order to resolve this was to seek the participants' written consent, verifying their anonymity and confidentiality<sup>9</sup>. Additionally, the contact details of the researcher were always given in order to allow further communication if the participants wished so. Finally, proof was always given concerning the official status of the research project as an MPhil/PhD research project of Middlesex University in London, using the official offer letter from the university.

What must be noted was the limited participation of one of the main regulatory public sector organisations (SEPE) with only two participants in the interviewing process and the General Confederation (GSEE) that declined participants for interviews and only offered advice, publications and contacts to unions and secondary organisations. The Commercial Chamber and The Union of Hellenic Banks declined participation in interviews as well. Furthermore, cancellations and delays influenced the timetable of the research as a number of participants rescheduled the interview dates a number of times. The fact that the research was conducted in a country different than the country of studies was an additional issue as to practical problems with travelling delays and accommodation expenses. Finally, industrial disputes, national strikes and other similar events caused further delay to the timetable.

The main problem concerning the identification and collection of existing agency data and reports comes from the unsuccessful organization of information by the relevant authorities in Greece. The courts fail to keep a satisfactory statistical service and most of the information is still awaiting statistical collection and analysis. This is a major obstacle to all research since most of the data are of primary, raw nature

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<sup>9</sup> The information sheet and consent form can be found in Appendix 1.

coded only according to the serial number they represent. Because of this, the inclusion of a vast chronological scale of data from the courts was not possible to collect and only a limited sample from the year 2006 was acquired as a sample. Moreover, all relevant organizations keep reliable statistics only during the most current years (from the year 1999), which makes comparison and conclusions within a lengthier time period almost impossible. The only statistical information before that timeframe comes from the Social Security Offices and relates to deaths and accidents at work. Finally, the collected reports do not include all proper academic references of statistical tests conducted, which limits the analysis this research is able to implement to a more descriptive rather than statistical meta-analysis level.

There are numerous problems with regulatory agency data (see Nichols, 1991; 1994). Tombs (1991) who carried out research on occupational injuries in Britain by comparing the official British statistics, produced interesting methodological conclusions: he expressed doubts about the quality and usefulness of official statistics and noted problems with existent legal and organizational categories (Tombs, 1991). The Greek official statistics could carry omissions and statistical mistakes that the researcher does not have the authority to evaluate and this is another limitation. Despite this fact, they still represent the most reliable existing statistics at national level. The dark figure – the offences that never reach the regulatory authorities - is another important and inevitable limitation for this research.

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### The process of data analysis

Beginning with the qualitative data, an interpretive model of analysis was employed. This means that the researcher made an interpretation of the data, setting codes and categories (Patton, 2002). The general framework of the analysis is based on the notion of 'Grounded Theory' as defined by Glaser and Strauss (1967) as theory deriving from and grounded in the data – where data, analysis and theory are in

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<sup>10</sup>The issue of invisibility of these offences plays a major role in obstructing the proper and adequate research on such topics. The main contours of this invisibility are the following: No Knowledge (little individual or public knowledge that the crime has been committed); No Statistics (official statistics often fail to record the crimes); No Theory (criminologists and other researchers often neglect to analyse these offences); No Research (few research projects are conducted or funded on these topics); No Politics (Such crimes do not appear as significant in the political agenda); and finally, No Panic (there is hardly ever any moral panic about these offences, they might not be considered as crimes and their perpetrators as criminals) (Davies et al, 1999).

close relationship to one another. This approach is based on analytic induction in developing theories and conclusions from observations of the data themselves. This approach has been adapted and developed by numerous researchers and influenced by various contemporary trends such as ethnomethodology, feminism and postmodernism (Bryman, 2008). In more technical terms, the main approach used for this analysis was inductive analysis. Inductive analysis involves the discovery of patterns, themes and categories in the data: findings emerge from the data via the researcher's interaction with it. Qualitative analysis is usually inductive especially in the stage of identification of themes and categories (Mason, 1996). The ability to use thematic analysis appears to involve a number of underlying skills. One of them is pattern recognition: the ability to see patterns in seemingly random information (Patton, 2002). In this specific project, the above techniques were the most appropriate in order to identify the main themes arising from the data and discuss them properly with the use of the theoretical tools of critical criminology in order to be able to answer the research questions of the study. The themes, theories and conclusions generated through this study were further refined during the process of writing up the various drafts and chapters of the thesis. The process of analysis, interpretation and writing cannot be separated (Becker, 1986; Richardson, 1994).

The interviews were conducted in Greek, so the transcripts produced were the translations of the interviews from Greek to English. The researcher undertook the task of translation, being a native speaker and fluent in both languages. There were obviously points of difficulty since specialized terminology was used. Co-operation was sought from the language centre of Middlesex University and its specialized staff in order to produce the best possible translation for every instance. In the effort to practically analyze the qualitative data, the researcher was assisted by the NUD\*IST / N6 software. The ability of textual analysis packages to ease the researcher's workload and save time is the main function of these programmes (QSR, 2004).<sup>11</sup> According to research on the usefulness of this software for qualitative analysis, a very important concern is 'the coding trap' or how to avoid over-categorizing and creating enormous data sets (Richards, 1997; Di Gregorio, 2003). These criticisms

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<sup>11</sup>There is no one way to use these programmes, rather than the appropriate way is always dependent on the data – but is said to be the most flexible of all qualitative programmes. We can identify three main stages of dealing with the data via the use of NUD\*IST: Introduction; Indexing; and Retrieval in categorised form (Buston, 1997). This package is able to organize bulky data and import various types of data, such as interviews, field notes, historical or literary documents, e-mails, WebPages, books, reports, newspaper clippings even films, photos, and tape recordings (QSR, 2004).



and warnings were taken into account in order to avoid this 'coding trap' mainly by having as guidance for coding the research questions and aims of the study.

It is important to build rigor into qualitative research designs in order to ensure that the procedures used to generate data are robust. Lincoln and Guba (1985) have proposed as methods of assessing qualitative research findings 'trustworthiness' as a criterion. Hammersley (1992) insists on validity and proposes relevance, to the topic's importance within its field and its contribution to literature in the field. Miles and Huberman (1984, cited in Mays and Pope 2000) have developed the terms 'confirmability' and 'verification', in order to give qualitative research their own concepts of reliability and validity, in qualitative designs: Maintaining meticulous records and documenting the process of analysis; the use of computer software, a full presentation of the raw data, or presentation of an extensive part of the raw data are also important (Mays and Pope, 2000). Respondent validation, attention to negative and contradicting cases and ensuring a research design successfully incorporates a wide range of difference appropriate to the subject's perspective can ensure that data is verifiable (Mays and Pope, 2000).

According to the above proposed techniques, several tactics were employed in order to test the findings and provide proof of validity. These included employing a triangulated research design with both qualitative and quantitative analysis linked thematically and complementing each other. Additionally, collecting data on similar themes within my main topic from a multi group of participants that included individuals from various structural positions, with different points of view and with different interest and perspective into business offending, searching for negative evidence in the data in order to test (validate or falsify) the conclusions and theories and feedback from informants and supervisors was additionally sought.

As far as the analysis of the official statistics is concerned, Hakim (1982) has defined secondary data analysis as the further analysis of an existing data set which presents interpretations, conclusions or knowledge additional to, or different from those presented in the first report. This is an attractive strategy which permits the researchers to capitalize on the efforts of others in collecting the data. This includes the advantage of allowing the researcher to focus mainly on the analysis and interpretation than the data collection process (Bryman, 2004). Robson (2002) summarized the main 3 issues in secondary data analysis: the quality of the data must be assessed; a careful study of existing record systems may allow the

avoidance of unnecessary duplication in data collection and sampling from administrative records may well be needed (Robson, 2002).

For the research analysis of the quantitative information, the researcher statistically re-analyzed data collected from the tables of the official reports. The current research also employed techniques of secondary data analysis, in order to appropriately extract all conclusions from the quantitative material. The techniques stayed at the descriptive level to be analytically linked with the qualitative elements in the writing up process and were not employed to test a hypothesis but answer the relevant research questions.

The actual procedure of the statistical analysis was as follows: the relevant data from the third sector of the economy were the ones of interest and specifically, commerce and financial services (the banking, accountancy and insurance fields) and the values for each field were entered into an SPSS database for each year from 2000 to 2009. The variables created were of: Year; Number of offences per sector; Number of administrative or criminal prosecutions; number of convictions; number of fines; and the total amount of criminality of the whole third sector per year. Moreover, numbers of offences dealt in tribunals and/or in the criminal courts was included. From this dataset tables and graphs were created providing an illustration and answers to the relevant research questions, usually depicting numbers of offences of financial or commercial services or the totality in the third sector as they go through the regulatory system in the relevant authorities, the tribunals or the criminal courts. Special reference was also made to typologies in tribunals and health and safety offences.

At this point, reference must be made to issues of validity and reliability of secondary data and its analysis. Reliability seems to be jeopardized since the phenomena under investigation and their definitions and policies vary over time, but because the specific data collected only concern current times, since their collection started from 1999, this problem is neutralized. Fiddling with statistics and a standard error in quantitative data are additional limitations as also is the existing dark figure of cases (Bryman, 2004) - this is an inevitable limitation of the current project. The quality of the data is ensured by the fact that they are part of official state statistics, reviewed, renewed and published annually. Since multi-agency statistics were collected, the analysis will be very careful on issues of duplication and, finally, some sampling of statistics was employed during data collection from the courts, due to the large

quantity of unprocessed primary data. When doing secondary analysis, the research must specify in detail why it is that the cases selected for study have been selected, and what are the limits of the selection process (Prior, 2003). This study's selection criterion was relevance. All relevant reports and statistics have been collected covering the decade 2000 - 2009.

Finally, in the effort to analyse and present this data, the SPSS software was used. SPSS for Windows is the most useful and up-to-date software for statistical analysis of psychological, criminological, health and other social science quantitative data. It gives the fastest possible access to computerized data analysis for complex and vast data. It was initially developed in 1965 in Stanford, University of California and has been updated regularly (Howitt and Cramer, 2003). The main SPSS operations available assisted with managing the data, defining and recoding variables; generating frequency tables, bars, charts and other relevant graphic representations.

### Suggestions for future research

After the implementation of this research and the time spent in the field collecting the relevant reports, liaising with the authorities and the participants and conducting the interviews, analyzing the data and producing research results and conclusions, it is interesting to discuss how issues in the field have influenced and what the researcher identified as unnecessary, difficult or in need of change. This can assist in efforts of future research in the same thematic field.

A closer focus on one dimension of the research either on topic, group of participants or method would provide additional data and an even closer look at the role of the specific dimension in the phenomenon of business crime. Specialized topics of interest would, for example, be 'the role of unionization in the identification and control of business offences in the workplace', 'Assessment, Effectiveness and Problematic Areas in the Regulation of Business Crime in Greece' or even 'The experience of workplace victimization in Greece – the victims perspective'. It is evident that this project focuses on providing a more rounded discussion of the phenomenon delimiting only in terms of sector, size and location. This has come as a result of the lack of similar research in Greece. Thus, the development of the general

framework and the identification of the influencing factors and processes of the phenomenon were the first aims in the attempt to link the micro and macro levels of analysis. Other methodologies could additionally be employed, like participant observation in tribunals and court cases.

In more technical terms, an equal number of interviews on the four target groups was needed as well as access to even more participants in the managerial sector or sole focus on them in order to uncover more of the hidden aspects of deviance. Moreover, a statistical sample of the new cases entering the criminal justice system annually for the decade 2000 – 2009 would have provided the project with a valuable graphic representation of reporting rates and cases that actually reach the criminal courts every year. This would have complimented the rates on the regulatory system, but was not possible because the criminal courts do not keep such statistics and the researcher spent much time and effort gaining access to raw files and random cases for just a sample for the year 2006.

The above limitations and problems led to another suggestion for better data recording, management and input where only raw data can be found, something that only public sector authorities could undertake. The outcome would definitely interest the social researcher. More statistical information and even a project like this based solely on the quantitative dimension could attempt to combine all scattered statistics from the different originations to a large dataset allowing meta-analysis and testing of hypothesis. Many times in research, qualitative findings or descriptive statistics – like those of this project – can lead later to hypothesis formation and statistical testing (Bryman, 2008).

## **Ethics: Researching Sensitive Topics within national cultural elements**

### Ethical considerations over implementing the research study

Codes of ethics have been developed by academic associations and research funding bodies in order to promote professionalism and good practice in research.<sup>12</sup>

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<sup>12</sup>Ethics has to do with the application of a system of morals to prevent harming others, to promote good and to be respectful and fair. The potential risks, sensitivities and benefits in sensitive research are the same as to any other social research topic but of greater magnitude (Sieber, 1993).

The codes cover issues such as consent, confidentiality, access, transparency, risk assessment and data protection.

There are specific ethical considerations involved in this project. The main ethical issues are the protection of the participants and the protection of the work environment. The anonymity and confidentiality of the participants was secured as well as any other procedure relevant to the participation in the study of members of the relevant organizations. According to the British Society of Criminology, the researcher is obliged to ensure that the physical, social and psychological well-being of the individuals participating in research is not adversely affected by participation in the research. The researcher should be sympathetic to the constraints on organizations participating in research and not inhibit their function by imposing unnecessary burdens on them. Research must be based – as far as possible – on the freely given informed consent of those studied (BSC Code of Ethics, January 1999). Special care should be taken where research participants are particularly vulnerable by virtue of factors such as age, social status and powerlessness (BSA statement of ethical practice, 1992).

Consistent with the above framework, and related to the participant employees, the implementation of the fieldwork was very careful and appropriate concerning ethics. In order to be able to fulfill this, strict confidentiality and clear explanations of the aims of the project and the researcher were ensured. Confidentiality is best assured on the basis of keeping anonymous the collected data. Perhaps of greater importance in ensuring confidentiality is to maintain the right to privacy (Gregory, 2003). Similar use of consent forms, information on the aims of the investigation and confidentiality were credited for the union members, business managers and inspectors that participated. The aim was never to pose obstacle to the functioning of any of the participating organisations and always made anonymous the cases they referred to as examples of deviance.

Ethical issues are fundamental to critical criminological research and include not only the concern with research practices but also critical awareness of whose interests the research serves. Critical analysis concentrates on challenging forms of domination and revealing contradictions between rhetoric of equality and discrimination (Morrow, 1994). Research does not take place in a political vacuum: ultimately, the key responsibility is to represent the position of those who have not been heard in this

debate and who contributed to this research, that is, the employees in national business organisations (Cassel & Symon, 2006b).

The participants were informed of the critical character of the study and of the fact that the research can produce positive outcomes in combating business crime. This way the participants were motivated to participate in the study without feeling worried and were able to reveal even more details of their knowledge regarding phenomenon. Informed consent was sought from every informant via the completion of a consent form. Consent was also sought in order to tape-record the interviews and consent was given from all interviewees concerning both participation and recording, except from one participant who declined the tape-recorder. In this case, the data were collected in written form.

Finally, to be ethically correct, the research must remain sensitive to the specificities of Greek culture. Furthermore, there must also be mention of the reflexivity dimension, a very important methodological issue for any critical study.

### Researching a sensitive topic in the Greek culture and society

In the case of researching business crime in Greece, one must be cautious of the sensitivities of the work environment, the business operations and the function of the inspections in order to carry out a project. Socially sensitive research can be defined as studies in which there are potential consequences or implications, either directly for the participants or for the class of individuals represented in the research (Sieber and Stanley, 1988).

The key factor in order for any methodology to be applied is to be able to make an adequate connection between the researcher and the group of informants that will participate in the study and it is here that the notions of culture and language play the leading role, especially when referring to qualitative methodologies (Bourgois, 1996). Being ethical in conducting sensitive research also means to be culturally sensitive. This means learning to perceive the risks from the point of view of the participants, and remembering that not everyone perceives things as the researcher does (Sieber, 1993). This is a piece of international research that has been implemented in a European country of the western world. Greece has its own unique culture, despite the fact that it belongs to the economic west. The characteristics that influence the

environment that the informants operate in have a lot to do with, not only the economy, but the history of the Greek state, the structure of the society and social groups within it, and the history of the development of the country after becoming an independent state in the 1830s. All the above cultural elements can play their own part when conducting research in Greece and trying to make sense of the data.

If anything characterises Greek history is the element of constant change. In the previous century alone, Greece suffered a civil war, two foreign occupations, ten military coups, a seven year dictatorship, numerous constitutions and nearly fifty changes of government. More specifically, the key events were: the Asia Minor Disaster (1922), the German Occupation (1941-44), the civil war (1945-49), rule by military junta (1967-1974), Turkish intervention in Cyprus (1974), and more recently the Macedonian question (1990s). This turbulent history has had its influence on the national culture and disagreements and disputes are considered a norm in Greece. Additionally, partiality, nepotism and different interest groups prevail. The above culture and ideology run through the social structure of the society and characterise areas spanning from a local small business to the national political parties (Lytras, 1993).

In Greece a business supports social status and becomes more than a specifically economic enterprise (Campbell, 1983). For Greeks, family certainly takes precedence over work and business; many Greeks will tell you that it's for their family for whom they work and they often tend to take family to work (Broome, 1996). Authority and office have always been significantly important in Greece, as have been notions of personal and family honour, exchange and respect, language, religion and patriotism. Greeks have been accustomed to using gatekeepers or mediators to get things done and personal contacts, networks and families always play a significant part in this. This fact has been of assistance for the researcher since personal contacts working through such networks were employed to approach a number of participants, especially business people and employees.

Even though all the above elements can seem profound and easily visible in most societies, in Greece they are magnified and can seem overrated to a foreigner. Influence from previous populations in Greece and of past oppression have led to this result as cultural elements get transmitted from generation to generation through socialisation (Sarris, 1994). Finally, Greek people are well known for being vivacious and they are always keen to talk and offer their opinions. All the above cultural

elements must be taken into account when trying to conduct research in Greece and need to approach nationals as informants. Personal contacts and obligations as well as an intensified notion of authority and power must never be ignored when researching in Greece. This fact must be taken into account when collecting the data. It is a barrier that interviewers must be able to surpass if they are going to get valuable and in-depth information about the topic of interest.

### Issues on Reflexivity

Gouldner (1970) called for a reflexive sociology, for researchers to reflect upon themselves in the research process. In contrast with the perceived neutrality of positivism, reflexivity claims that there is no possibility of sealing off the self from the research process and data collection. Therefore, the aim is to recognize and understand the influence of the researcher on the research. This tradition is very strong among feminist, critical and qualitative researchers. Reflexivity is a key feature in critical research. It acknowledges the fact that theory is developed within a social and political context and requires researchers to reflect upon their own experience and their research practice (Stubbs, 2008). Reflexivity means sensitivity to the ways in which the researcher and the research process have shaped the collection of data and prior assumptions that can influence the inquiry (Bourdieu and Wacquant, 1992). Personal and intellectual biases must be defined in order to enhance the credibility of the findings (Mays and Pope, 2000).

The selection of this specific topic is the first important element that is strongly connected with the researcher's influence. Knowledge of the current condition in Greece stems from experiences gained while living and working in Greece and experiences of people who are close is also a point of reference. This selection had a lot to do with common problems in Greece and believing that it is important to turn the sociological gaze onto the social phenomena and grasp them while they are occurring rather than study them from a distance. This has given an advantage when approaching the participants, since there was more understanding from knowledge and having had similar experiences. Empathy and a welcoming environment could be created in order to facilitate the interviewing and sharing process (Lee & Renzetti, 1993) and was very useful in this account. Additionally, the decision to enquire with informants about their strategies, about what they did about their employment problems and what they knew about employment rights served the



emancipatory requirement of critical research. The researcher's own experiences in the Greek business world, working in a financial consultancy, offered knowledge on approaching this field again and communicating the right language to the business managers that agreed to be interviewed.

For this study, the researcher's national identity and proximity with the country and its specific social reality and work environment has played an important role. The researcher was born and brought up in Greece, thus communicated perfectly with the participants and their descriptions of current life and work in Greece. Furthermore, the researcher was also informed of the current functions of the public sector, a fact that proved useful in applying a successful strategy in order to involve public sector organizations in the project. Finally, the researcher's own experience of the work environment in Greece has additionally helped with the design and implementation of the current research.

Finally, as research does not happen in a political vacuum, it is important to acknowledge the researcher's own values and beliefs in influencing the enquiry and data analysis. The researcher's family background, political ideology, and studies in Sociology and Criminology, offered consciousness and political stance. She is aware that this has a strong influence on this project, especially to the paradigm within which she chose to work that is also shaping the data analysis. On the other hand, being employed in national financial business, the interviewer was also able to talk the language and see the view of the business world and understand the requirements and competition as well as what it is like to own a business, as regards to rewards and concerns – her father owns his own small business, where she worked since the age of sixteen. It was important for this project not to be based on simplistic assumptions and also not to scapegoat groups of people or allow bias to interfere with the research. Thus, all relevant advice from literature and supervisors were employed, along with the ethical guidelines and previous research in order to be able to apply skills in research as accurately, ethically and in as unbiased a form as possible.

This project is also bound to add a significant amount of value. It will be pioneering for Greece, where relevant literature and research are fragmented and data are either limited or unprocessed, and will add to the existing business crime research abroad. The methodology produced will also be useful for further work in the national level on similar topics that can assist in a better and more detailed understanding of

the phenomenon as can the mapping of the data sources able to interest the social researcher. Finally, it can provide an illustration of the situation and inform the legislator on the current issues he/she would need to take into account when proposing legislation for these types of offences. It can, therefore, additionally inform national policy and practice. The production of new knowledge and its proper use is always the most significant element of all research. Finally, the need to project the image of business crime against the workforce is another element that is ethically correct, for it addresses the importance of creating and maintaining a balanced and healthy work environment.

## **Chapter Four**

### **The macro level: Promoting Capital – Promoting Deviance? The economic, policy and collectivity dimensions of the influence of structure in business offending in modern Greece.**

The presentation of findings follows a thematic sequence in relation to the levels of analysis. This allows for illustrating the relevant issues connected with business crime and for providing answers for the research questions. The levels of analysis are an attempt to link the micro and macro level and follow the example of Steven Tombs' (2008) proposal for analysing business offending at three levels, incorporating elements of politics and economics within the scope of a criminological analysis.<sup>13</sup> In this chapter, the role of structure – the macro level of analysis - is presented in order to identify its influence in business deviance over employment legislation.

Structural factors will always influence social phenomena as they all interrelate and operate within a certain society. Thus, phenomena must always be analysed according to the relevant social dimension. Merton (1957; 1968) argues that the lack of integration concerning what culture calls and what structure permits causes deviant behaviour, thus deviance is a symptom of social structure. It is therefore imperative under the critical scope, to situate social relations relative to a structure of a mode of production. It is important to emphasize the dominant role of the economic sphere in capitalist societies as it is the immediate environment where business operates and for the purposes of this analysis, it is important in order to grasp the operation of the structure and relations characterising the Greek market and work environment as an object of scientific study. In this case, societal dimensions that contribute to business offending are the character of the national economy and business structure, the economic policies followed by the state and

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<sup>13</sup>Tombs proposed three levels of analysis: the micro, meso and macro levels. The micro level is the personal characteristics and the interpersonal relations and workplace cultures. The meso level is the company-organisation as a whole, its structure and lines of decision-making, type of management, trade unions, Health and Safety committees and economic health of the organisation. The macro level refers to the economic, social and political dimensions within which the organisation operates: the nature of the market, state-business relationships and regulations, pro or anti business societal values, and technology. This approach of analysis looks beyond criminology and includes organisations, political issues and economics in the agenda (Tombs, 2008).

legislator and the role of unionization representing labor's side of reaction and influence at the agency level.

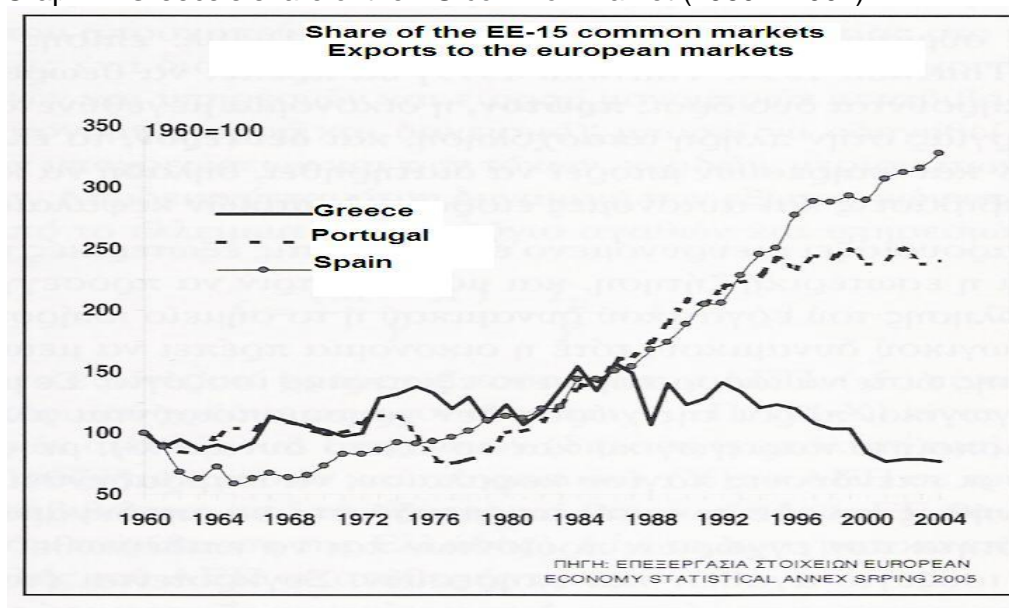
**The character of the Greek economy, business world and labour market:  
Decreasing in size and growth – Increasing in strain and deviance.**

The national economy and business world – the third sector

The weak growth rates and unorthodox growth of Greece's economic past and the serious contemporary fiscal problems and recession provide a strained environment for national business to operate. This can give an additional incentive for deviance and illegalities for profit. Furthermore, relations of power are formulated within the agency level and define relations at the agent's level.

The nature of the national economy and specific structure of the business world, especially in the third sector, is an important structural factor influencing business offending. The structure and function of national and transnational markets is an element that provides opportunities for business deviance in the illegal and legal economy, where the crimes of the elites thrive and opportunities move actions from legality to illegality like a pendulum (Ruggiero, 2000). In order to begin, a description of the national economy and market will be presented to illustrate the environment of operation of national business.

Graph 1: Greece's share of the EU common market (1960 – 2004).



In Graph 1, the low competitiveness of Greece's economy can be clearly observed. While the national share in EU markets increased steadily from 1960 to 1990, a period of decrease is evident in the last two decades. At the end of year 2004 this activity only consisted of 14% of the Greek GDP. This is mainly due to the decrease of exports and a decrease in investments and technology (INE, 2005). It is therefore evident that national business mainly operates within the national market because of its low competitiveness at the international level. This corresponds to no immediate influence of global laws and international markets other than those that stem from state intervention and laws that are currently being influenced by EU directives. Thus, the national economy, markets and work environments are contained within this economy of smaller size and radius, where business offending stays within the realm of the country and cannot be compared to corporate crimes of multi-national companies that have been investigated in the international literature (see, Wright, 1994; Mokhiber and Weissman, 1999). The nature and character of business offending in Greece is different compared to that occurring in businesses operating in more developed economies of the West.

The Greek economy and market has undergone the vertical centralisation of many companies (e.g. manufacturing and trade of electrical goods, foodstuffs). These companies, through their smaller and affiliated companies, can have intense activity in relevant sub sectors of the economy. The most popular (70%) way of gaining control of other companies has been to acquire part of the total of stocks available – this can involve a significant avoidance of legal, employment and tax related duties. This is one method by which national capital can avoid duties to the state while at the same time increasing its own size and wealth. Additionally, the 20% of transnational fusions represents a percentage much smaller than the European average. However, this percentage would be much higher if it included the foreign corporations already present in the Greek market (INE, 2005). The above nature of national business and markets only confirms once again the smaller and closed nature of the national economy that operates according to distinct national characteristics compared to other EU economies. Regarding the actual size of companies, many are of medium size, with between 101 and 300 employees. Data from the Hellenic Organisation of National Statistics (ESYE) show that the majority of Greek corporations employ less than 100 people, and according to ICAP statistics, within the Greek economy, 84% of corporations operating are Greek and 16% are multinational (INE, 2006). All of these facts only highlight the small size and shallow competitiveness of the economy at the international level (INE, 2008).

Employment in the services sector has increased in all EU countries from 49.4% in 1975 to 69% in 2000 (Palaiologos, 2006). In order to illustrate the specific characteristics of the third sector of the economy in Greece, one has to divide it into two distinct periods. From 1981 – 1995, where the contribution of the third sector in the GDP increased rapidly and continuously with high levels of employment and accumulation of capital - not accompanied by technological or organizational innovation though, and hence not an adequate basis for real growth. The second period refers to the years 1996 – 2009. The growth of the sector is continuous but not at the same levels as before. This creates a lower amount of new jobs and productivity (INE, 2010). The economic difficulties of national capital were clear even before the current crisis and were of a structural and developmental character.

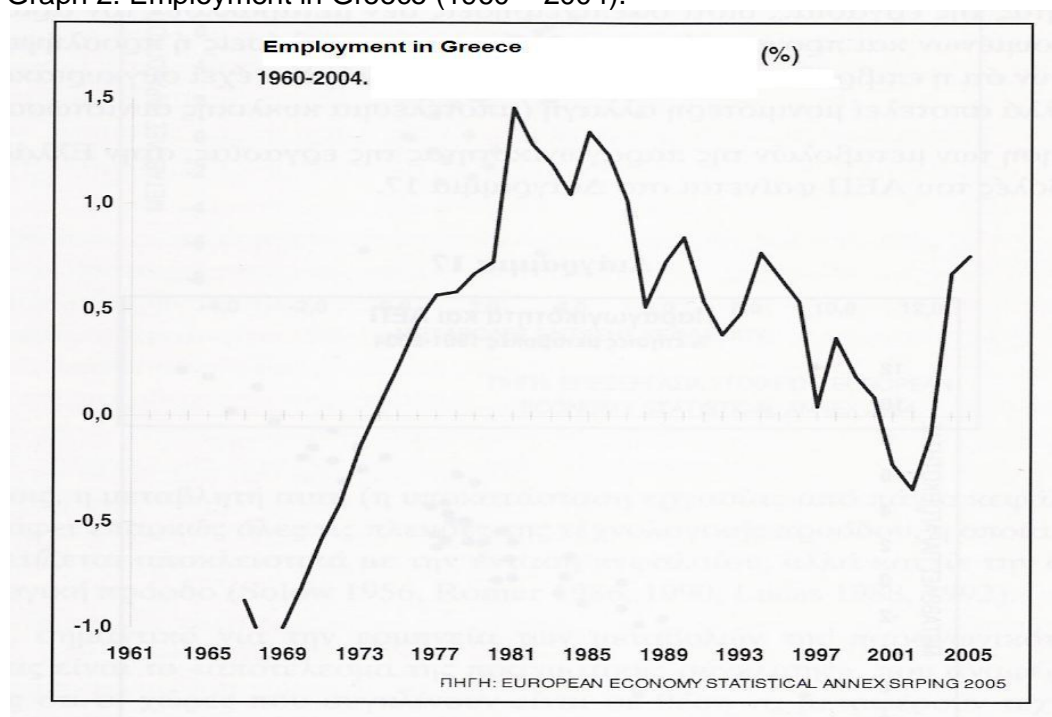
There are 307,324 commercial companies and 3,640 financial enterprises from a total of 844,103 registered businesses in Greece. Commercial enterprise is stronger in numbers but financial enterprise is stronger in size and power (INE, 2008). The growth level of financial services is illustrated by their real income. Current accounts provide the primary national income and capital for national banks (45 – 65% of total capital). The recession has led recently to a rapid and significant increase in the interest rates of current accounts. This has caused great economic pressure on national businesses and national population, as 89% of current accounts are for households and 32.9% for businesses (INE, 2011). Internal borrowing was a significant solution for economic difficulties for businesses and households, and bank loans and debt has been created during the last few years. 312, 4 billion euro was the internal borrowing for 2010. 81.1% of this was directed to households and businesses (44% to business and 37.1% to households). Business borrowing increased significantly after the induction of the country to the Euro zone and kept increasing at a rate of 15% annually. For the year 2011, commerce had a slight decline in borrowing rates of -3.2% and financial services only a slight incline of 1%. Still, the actual percentage of borrowing was 20.9% for Commerce and 5.2% for financial and credit services (INE, 2011). The above elements confirm the strained environment for business operation and equally strainful situation for the national population created by mounting debt. In this climate, strain and anomie are usually providing an incentive for deviance (Merton, 1967). With regard to business offending, this suggest a greater motivation towards financial and employment violations in order to increase profits and / or meet deadlines for payments of fines and loans.

After presenting the core elements in the business environment, it is important to turn next to the basic characteristics of the labour market and employment, where deviance can be found as embedded in an already pressurized work environment.

### Employment and Unemployment in Greece

In the above framework of the small national economy and weak international business competition, it is imperative to present and discuss the character and measurement of employment as it is these structural issues that can shape the work environments and, thus, offences found in them.

Graph 2: Employment in Greece (1960 – 2004).



Any growth occurring within the Greek economy during the last few decades can be described as a jobless growth, mainly achieved via an increase in productivity but not in employment. Graph 2 shows the variance (%) of full employment in Greece. Rising unemployment, that began in 1980, continues to be one of Greece's major problems. EU and state initiatives of the final few years before the crisis had helped assist more people back into the labour market but that increase was small (2.8% for 2004) compared to rising unemployment levels (INE, 2006). And that was mainly due to the technical approach these strategies follow for matching skills with jobs and

combating labour market rigidities rather than promoting social justice, full employment and the educational skills of the national workforce (Moschovis and Servers, 2009).

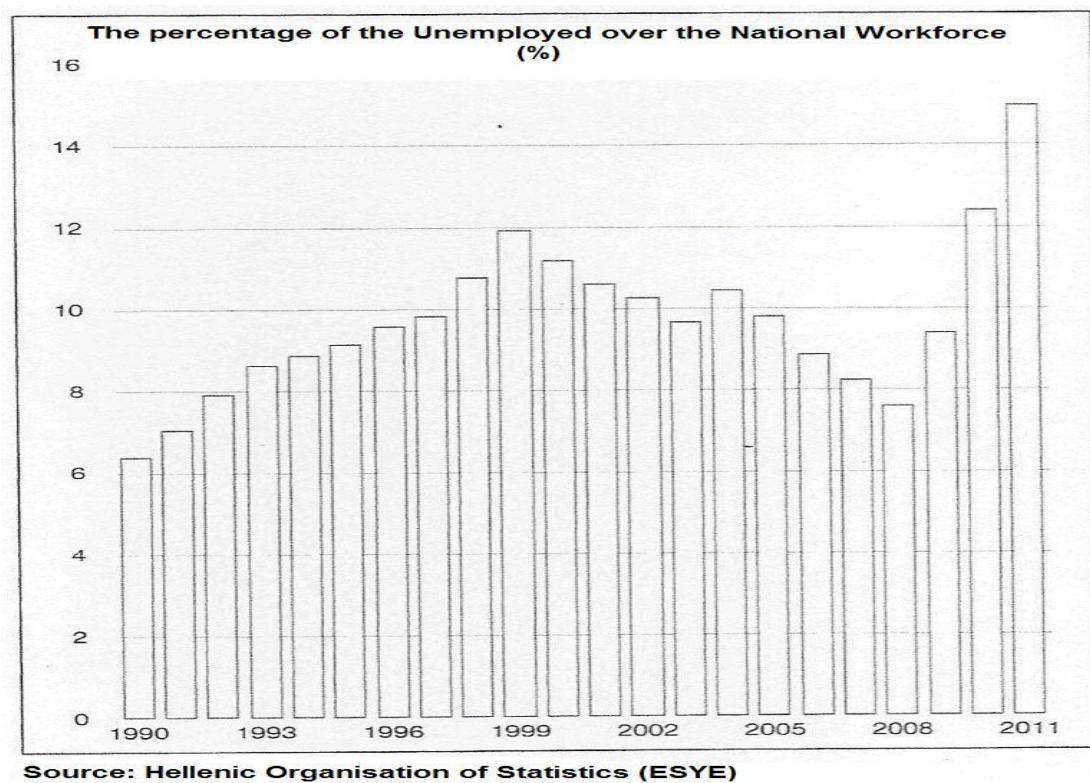
Concerning the third sector of the economy and financial and commercial services in particular, employment has risen steadily during the last two decades - a result of state favouritism and the incorporation of EU funds leading to the sector's growth. Two different trends of employment development in the financial services can be observed. In the banking sector and relevant companies, there is an increase in employment rates. In 2008, there were more than 122.000 employees employed in the sector. There was a great increase in development and employment in the banking sector in Greece from the establishment of the third democracy (1974) to 1987. There was further increase until 2001 when the decline started. After the crisis hit, there has been a frozen period in new appointments in the banking sector due to the financial situation (INE, 2010). The other trend refers to the insurance and related business that presents a decrease even though the overall cost of labour in the sector has decreased by 5% in the last five years. With regards to the sector of commerce, even though it employs much of the national and migrant population of employees, it shows a high percentage of self employment, especially in the local markets and smaller units (26.4% in 2009). The average hours of work in the sector are the highest amongst all sectors of the national economy (44 hours per week in 2008) (INE, 2009). The above only depict an additional strain created by the decline of employment on labor's side that further creates economic pressure. This can correspond to more job insecurity and tolerance of employment law violations.

Unemployment rates are highly significant indices of employment relations within a country. Unemployment is a factor that can create strain on households and employees and undermine their strength, bargaining power and ability to react to business deviance (Palaiologos, 2006). It is a strong influence of imbalance in the relations of employers with employees. Furthermore, the argument that unemployment and crime are related can be found in many positivistic explanations of conventional crimes. In critical approaches, Lea and Young (1993) have tried to explain this link not as direct but as mediated by relative deprivation. When unemployment and poverty are perceived as unfair, discontent and criminal activity are likely to arise – the same in their opinion can lead to the occurrence of white collar offences in times of economic crises or increased competition. This can give a spur to white collar crimes that are usually related to the economy and employment.



In Greece, in the decade 2000 – 2010, 400,000 new jobs were created. In the following decade until 2020, only 104,000 new jobs are expected (INE, 2011). Real unemployment in 2010 was 18% (900,000 people) a fact that seriously undermines the technological and productive efforts of the country and the education and skills of the national workforce (INE, 2010).

Graph 3: The percentage of Unemployment over the totality of the national workforce (1990 – 2011).



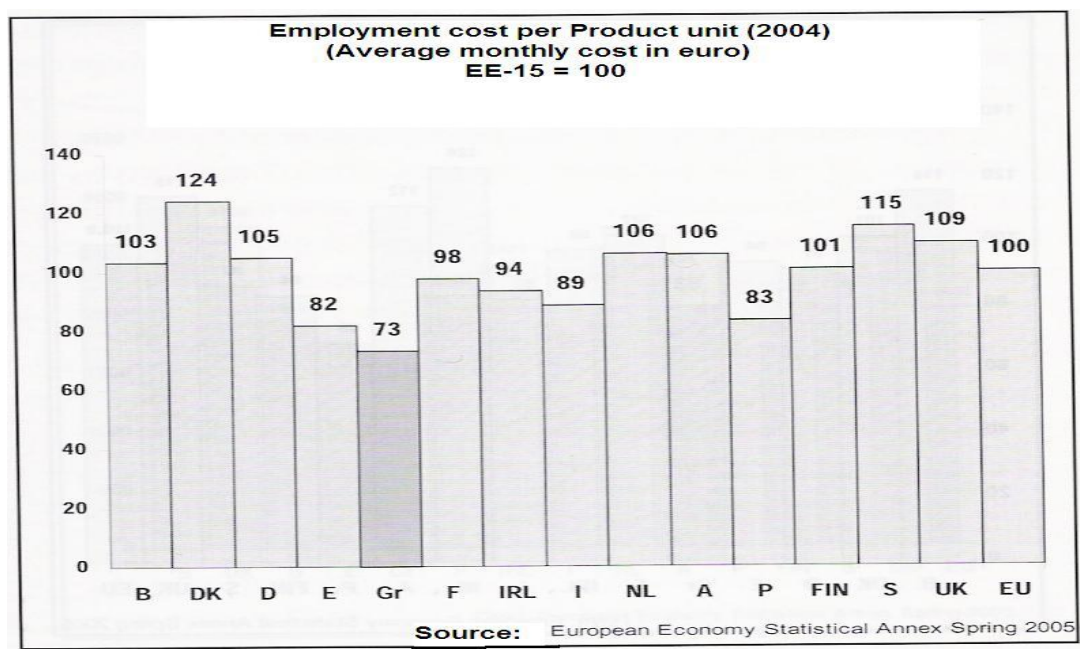
In Graph 3 the percentage of unemployment over the totality of the national workforce is illustrated. Unemployment, after a continuous decrease during the period 2001 – 2009, from 12% to 7.6%, rose during 2010-2011 to 15.2%. Currently in Greece, there is one unemployed person for every five employed. 51.5% of the unemployed are women and 36% are young people up to 29 years of age. 44.2% are the long term unemployed - long term unemployment is an outcome of the exclusion of employment/labour from production and its substitution by new technologies (INE, 2011). This description of the structure of unemployment presents where most of the pressure in the economy is channeled, which is the most vulnerable social groups. Their difficulty in entering the labour market can additionally be explained by their increased rights in combating their vulnerability. Employment

rights can pose difficulty for those entering the labour market and whose interests they are aimed to protect. This way they can create dichotomy between those that have and have not employment (Koskinas, 1995).

For the year 2009, following the eruption of the national fiscal crisis when the rates of unemployment rose rapidly, the main reason for being out of work was measured to be dismissal from work in a percentage of 55.6% (INE, 2010). If one compares the recorded numbers of the unemployed during the first trimester of 2008 with the first trimester of 2011 there is a huge increase of 95%. The households that were feeling the adverse effects of the crisis in their economics, tried to combat the decrease in their income by gaining more employment and obtaining a second job. Households that previously (1983 – 2004) tried to increase their income and expenditure by having more members in the labour market, turned to borrowing from the banking sector during the period 2005 – 2008 (INE, 2011). Thus, another two important factors at the agency level that interrelate with unemployment are the role of consumerism and people's economic debt. These elements create additional problems and restrictions for businesses and households. This increases strain and insecurity for employees that lower their demands for rights from employers and increases strain for employers since their profit levels fall. The above characteristics only assist deviance to occur and be tolerated rather than controlled.

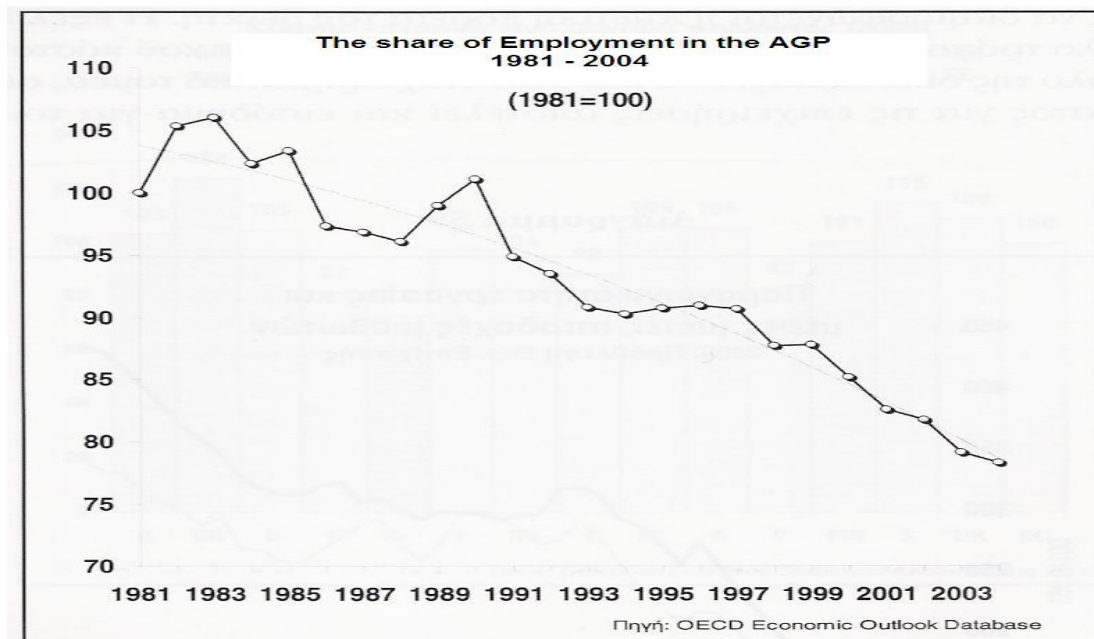
*'.. Nowadays, people will turn to loans and credit in order to cover their needs and this creates...a noose around their necks. And after being in debt, there is more insecurity and more of a vital need for people to maintain and secure their jobs. And I think this was another very calculated decision of capital, to offer so much money, so many loans and granted so easily...' [Inspector, Interview 2]*

Graph 4: Employment cost in the EU (2004)



The above facts have produced a difficult situation for the national workforce as the average wage level has continued to decrease at the same time as the expenditure of everyday life has risen. In Graph 4, the levels of wages and employment costs in the European area are highlighted, and it is evident that Greece's national labour is the cheapest in the whole EU area. From 1986 until now there has been a significant redistribution of income against labour, in order to promote national business growth and entrepreneurship (INE, 2005). The above-mentioned fact is also made clear from the data presented in Graph 5, where the share of employment in the national Annual Gross Product has steadily fallen during the last four decades (INE, 2007). These elements of state favouritism of business have been noted from the early stages of the rise of Greek entrepreneurship in the 1920s and have assisted the survival of Greek capital during strained times in the past, like the petrol crises of the 1970s (Sakellarpoulos, 1992).

Graph 5: The share of Employment in the Greek AGP



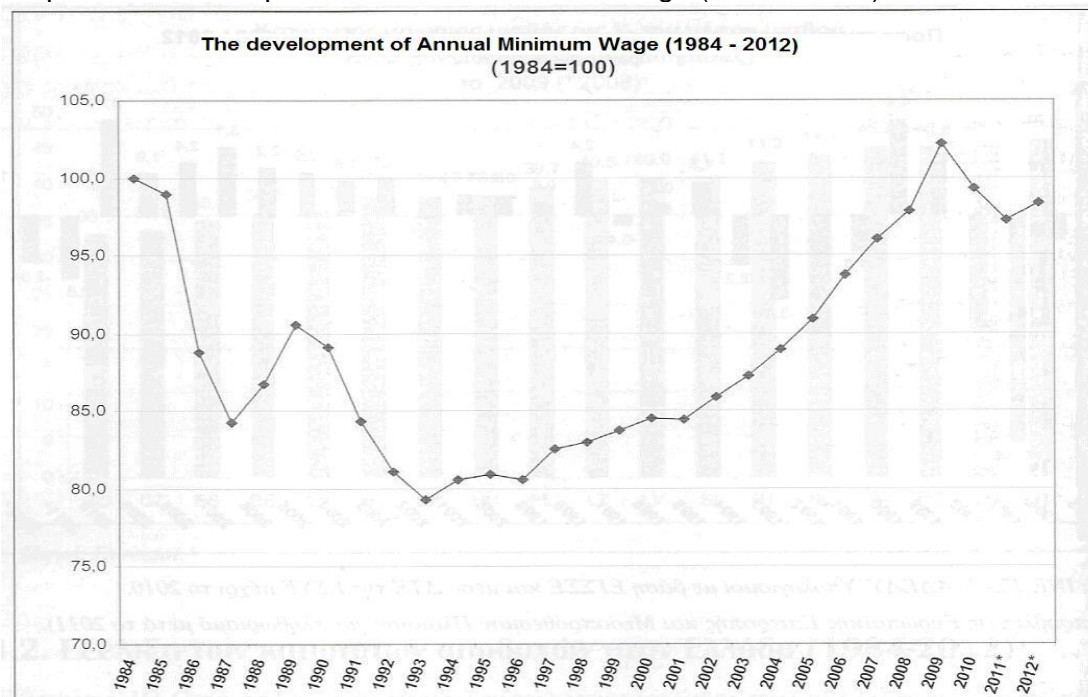
The income gap in Greece is much higher than the rest of the EU. The income of the 20% wealthiest nationals is 6 times higher than that of the 20% of the poorest. 55% of the national workforce receives monthly income ranging from 500 – 1000 euros (2008). And this was the low wage levels in Greece before the crisis hit.

The current fiscal crisis had its own influence on wage levels and household income. The austerity measures influence household income disproportionately for lower wage incomes since there is a disproportionate influence from the new taxation measures and shrinking of public expenditure and benefits. The decrease of wage levels in crises works as an oxygen tank for businesses. Thus, at the macroeconomic level, pay cuts are working towards salvaging enterprises. Wage reduction is a symptom of an ailing economy. And it is a symptom that can decrease economic growth further. This usually happens after reduced consumption that leads to a further shrinking of markets and increased recession (Krugman, 2009).

Low wage levels and wage reduction is not new for the country. By observing the figures for lower wages in Greece for the period 1984 – 2012, it is evident that even though there is a steady increase after the mid-1990s, after 2009 the levels dropped down to that of 1984. Thus, we have two distinct periods after 1984: during the first period (1984 – 1996) there is a steady annual decline of minimum real income. After 1996 and until 2009, there are serious increases over 25 units that increase the

consuming power of lower class households (INE 2011). Wage levels dropped further after the crisis hit. After the reduction of 7.9% during 2010, there was a further reduction of 3.5% the following year in real income per employee. This additionally leads productivity to decrease from 91% in 2010 to 84 % in 2011. It has to be noted that the reaction to the global crisis concerning wage levels was mixed in the EU area, and financial problems did not mean pay cuts in all Euro zone countries. There were the frozen minimum wages in Ireland and Romania; the increase of low pay thresholds in France, Britain and Holland and serious income increases in Portugal, Poland and Spain (INE, 2011). This only shows that the Greek state intervention always depends on the labour sector to salvage the economic downturns as has happened even before the current crisis, and underlines once again the favourable relationship of the state with the national business world.

Graph 6: The development of Annual Minimum Wage (1984 – 2011).



Source: INE

Another issue connected with employment in the country – apart from unemployment and wage levels – are the rates of hours of work. Greece is a country that shows the highest amount of working hours per year in the EU area (1820 hours annually compared to 1690 hours in the EU). It is also the highest when calculating hours of overtime (42 per week compared to 37.9 of the EU average). This is a key business policy to take advantage of the provision for overtime and to the employees themselves that will many times agree to work overtime in order to increase their

income (INE, 2009). And here is another structural dimension that can foster illegalities as hours of work will not always be declared. Moreover, longer hours mean increase in labour exploitation and unequal redistribution of national wealth, high rates of working hours and overtime that works counter-productively for unemployment and productivity, reduces the available free time and standard of living for the national workforce (INE, 2009).

All the above economic dimensions of the national economy give a clear illustration of the small and ailing character of the national economy, the strain under which businesses operate and people work, and the role of the state and its pivotal role in class struggle and social consensus. Into this environment, strainful elements are embedded in the form of debt and decreased profits for businesses and insecurity, unemployment and long working hours with low wages for employees. In this general framework, crime seems like a product of the inevitable laws of the market place. Taking as basis the definition and explanation of crime in critical criminology (Lea and Young, 1993) that claims that crime is one form of egoistic response to deprivation, as it involves alternate values but is endemic to capitalism because of relative deprivation, we can draw relevant conclusions about the Greek reality: business offending can stem from the efforts, strains and comparisons within the economic system as modern business is trying to survive and expand via the use of legal and illegal methods. The policies followed by the Greek state are a clear indicator of the role of the state in defining employment relations and business offences and are presented in the next section.

### **The role of economic policies and their influence upon business offending: Before and after the crisis**

#### The economic policy before the crisis: State Patrimonialism, Economic Deregulation and State Corporate Crimes as a means of balance in the relations of national state and capital

The economic policy that was implemented in Greece in the past twenty years (1990 – 2009) led to a primary redistribution of income against labour and reduced the tax indicators over corporate profits. And since taxation was low for higher incomes and business, state income was accordingly reduced compared to what it would have

been in the case of a more just and balanced taxation system (INE, 2011). The new model of production is based on technological advancement and undermining of the industrial mode of production corresponding to international trends of an increase in the services sector (Koukiadis, 2008). The above only highlights the role of the national state in favouring entrepreneurship, even in the light of a decline in state economics. But the large amount of income gained by the upper classes and business from the above policies during the last two decades was channeled into consumption of luxurious goods and increases in private property rather than other investments and development (INE, 2009). This resulted in only a minor proportion of real economic growth.

The PASOK government between 1981-1985 managed to tone the economy and raise the living standards through incoming finances from the EU, internal and external borrowing and public assistance to national business. The populism of the times brought about the emergence of the patron-state, clientelism, and corruption. The clientelism of these times found another very important dimension in society: employment opportunities for clients/voters. This practice of finding employment through a mediator to a political or public administrator was a common element in finding a job in the public sector. Most of the staff employed in the 1980s and early 1990s was achieved through this means. Another similar clientelist practice was early retirements and illegal benefits and favours to private sector business.

The re-evaluation of the constitution in 1986 had as a main ambition the centralization of the mode of power at the hands of the Prime minister rather than an equal share between the prime minister and the president of democracy. Legal and political control over high officials and politicians in government was minimal, since most of the powers had been offered to the Prime Minister only (Charalampis, 1989). From there on clientelism became easier and actually established itself as the key method parties utilized with their voters. Control of media and strict policing meant that these systems and corruption were literally impenetrable. But this deviant system of representation and government did not lead the country to a proper development in the economy. It rather served the purpose to maintain voters and continue with the system of favours and illegal bribing. From all the above, the environment of general illegality and corruption in both the economic and political sphere is evident as part of the strategy of maintaining their hegemonic positions. Thus, the existence of state corporate crimes (Mackenzie and Green, 2008) in the interplay of state and business



for profit and power characterized the national policies and was not an actual effort for real economic and social growth and development.

The model of policy followed by the state before the crisis was still in accordance with the international trends but specific to the Greek reality. The current problems facing the socio-economic sphere are only a sign of falsification of international neo-liberal claims concerning the end of industrial employment inequalities and divisions, and the transition to a society of information and knowledge. Moreover, the de-industrialization has led to a decomposition of the labour class and the previous structures of collectivity. But modern societies still divides labour into classes. Thereby, still remain capitalist in 'nature' (Palaiologos, 2006). The more classical forms of production brought about social security in employment relations with extended legal rights. But this type of employment relations management was a product of the specific era of the centralization of production, the scientific organization of units and big industries. The decomposition of this model of employment started from the 1980s and has been connected to a rhetoric of individual development, free time and lifestyle, and the needs of women and families. But the actual deregulation and flexibility is not there to accommodate the needs of families but those of global capital (Palaiologos, 2006).

Flexibility in the labour market, restriction of regulations in the economy, and deregulation of employment legislation, were the main policies implemented and hoped to lead to economic development. The governments promised that the sacrifices for the people would in the end lead to prosperity for the whole of the country. But the main characteristic of this policy was that it represented the interests of the business world as that of the whole society. And even though these policies, further influenced by EU directives, showed an increase during the years 1996 – 2004, after the Olympic Games in 2004, a slow decline began to appear that continued until 2009 when the economy entered into crisis (INE, 2009).

The current crisis that came as a result of this policy – together with low growth rates and a corrupt political system - and not just because of the global crisis - revealed the real issues behind the crisis and the unreliability of the previous policies. Thus, the current crisis facing Greece is not an accident or an incident of global crisis but a structural crisis referring to the economic and developmental national economic policy. The real reasons, then, for the occurrence of the national crisis are: the unsuccessful attempt of the unregulated national economy to find a balance between



capital and labour; the reduction of labour income; the increased borrowing of households as result of the previous mentioned facts; the total deregulation of the financial services sector that was even allowed to extend to increased risk (INE, 2009). The main suggestion is for a new regulation of the economy and markets where welfare and public services have a central role. But according to international and European policies aimed at correcting the situation in Greece, the state must only have a temporary role in the regulation of the economy to bring it back to balance and resolve the current problems and then resign from its new regulatory role. If things follow this path, labour will remain the main variable to absorb all the imbalances of the economy, an element that fosters more tolerance for business deviance (INE, 2010).

The above policies – promoted by neo-liberal rhetoric – have been changed recently in the effort of the state and EU authorities to combat Greece's financial problems. A policy that started out as capital-friendly has now been turned into labour's worst enemy since it creates a greater division of the classes and has a direct influence on business violations of employment laws. It actually creates a paradox of trying to regulate business offending by legalizing behaviours previously illegal, in an attempt to promote the role of the state as regulator rather than promote equality and social justice. This paradox is based on the old divide of social versus economic regulation and will be detailed in the next section.

### The national economic crisis: Business offending as cause of crisis

Economic strain can lead to pressure in the economy, anomie and deviance (Merton, 1968). The latest crisis that the country is undergoing must actually be viewed as the tip of the iceberg, since Greece's financial problems have their roots in the last three decades (INE, 2008). But it is important to examine the influence of the extra pressure on the incidence and character of business deviance as this dimension was incorporated in the current research. Size of company, opportunity and financial strain on business are all key factors defining offending behaviour (Croall, 1992). The high rates of unemployment and economic strain on both employers and employees cause offending behaviour as it is sometimes necessary in order for businesses to survive. Employers will tend to offend and employees will tend to comply and not report.

In economic theory, crises are found when an economy needs to find a new balance after being hit by external imbalances and are in no way just an accident of economic misfortune. After the near-collapse of the economy in 2010, the deficit rose to almost -13% and has affected the stability of the Euro zone and competition with the dollar (Belien, 2010). In the current state of monetary union (Euro zone) the Greek economy cannot devalue the drachma anymore to improve economic conditions, as done many times in the past (INE, 2010). Thus, in a monetary way, the main characteristics of the crisis refers to the weakening of reliability of national bonds that is connected to national debt (INE, 2010). The main reason for the creation of this huge national debt does not lie in the international situation but in the decreased state income due to lower economic development, low productivity and high tax evasion (INE, 2010). And even though the main problems seem to be the tremendous national debt and monetary issues, there are additional structural problems that need addressing: decreased structural competitiveness of the national economy, unequal distribution of income and taxation, low wage levels and low productivity. Inflation and unemployment are still increasing in Greece much faster and higher than in the other EU countries. The rate of employment in Greece is currently lower than that in 1960 (INE, 2009).

The actual and real causes of the current crisis in Greece, thus, do not stem from external financial situations but from internal unsuccessful economic development structures: low levels of government savings during the past decade, increased external borrowing, increased consumption of high level incomes, tax reduction towards businesses and tax evasion with no real controls, illegal employment with no tax or insurance contributions. Clearly business offending had a lot to do with causing the economy and public budgets to collapse as at least half the cases mentioned before refer to business deviance as permeated into state and business clientelist relations (INE, 2010).

With regard to the negative effects of the crisis and the additional social harm produced, this refers to the totality of businesses and households in Greece. The difficult economic situation has hit household income and spending, business income and investments, banking institutions that now credit according to stricter criteria, national export levels and high unemployment. Bankruptcies of many local businesses, mass dismissals, threats for pay cuts, a high unemployment rate and low unemployment benefits, increase in flexible work, economic recession and poor living standards for the population (INE, 2009). The three years of recession have led to a

significant difference in real income per citizen, relative to the rest of Europe. A significant decline has also been noted in productivity, employment and national average and minimum wage (INE, 2011).

The international policy against crises aims to carry the weight of competition on wages, and this requires low unionization and flexibility in hours and modes of work, reduction in the payment of overtime and the institutionalization of four days of work per week (INE, 2009). The measures designed by the EU, European Central Bank and International Monetary Fund are leaning towards correction of national budgets and measures to combat tax evasion but without a real redistributive developmental policy (INE, 2010). Even if one includes the income from EU directives to combat the debt (2012 – 2015) and the privatization of public services gradually occurring the debt of Greece will not improve until 2020 (INE, 2011).

The crisis has had an impact on financial services and has created a paradox. In the era where the national states salvaged the credit institutions from the global crisis, the banking sector was saved by those who they needed to account to for their illegalities and led to increased risk and global crisis (INE, 2009). The Greek government, in order to combat the crisis, legislated to assist the national banking sector with a contribution of 28 billion euro (INE, 2009). Further funds were needed in the last couple of years to follow, so overall, national banks have borrowed over 90 billion euro from ECB via government bonds and other titles with lower credit levels (INE, 2011).

The austerity measures might have a prospective decrease of the monetary national debt but will definitely have adverse effects in the social and productive sphere of the economy (INE, 2010). The sacrifices come mainly from the lower strata of the population, and the middle classes. And even though there was a small decline in public debt during the past year, this cannot be considered a real success, as it had the adverse effects of poverty and unemployment for the society and economy (INE, 2011).

The recent austerity measures the Greek state has passed mainly refer to state income. They are not characterised as referring to social justice or redistribution of income. Employers like to take advantage of the difficult economic situation to satisfy their interests, but the other side of the economic situation is that there is also pressure on them and their enterprises, so the strain can make them offend too.

However, they know that pressure is more intense on the employees, and especially those with family responsibilities, so they know they are likely to offend and go unpunished. The current financial crisis has meant more debt, insecurity and new expenses for the employers in the services sector. One of their employees reported that rent rates have gone up which means extra costs as well as difficulty in gaining or repaying bank loans. The methods employers use in order to combat the new difficult situation is to shift the weight onto labor's shoulders and either dismiss or overwork their staff. Employers use the current financial crisis as an excuse to manipulate the situation in order to get their own way. The economy in Greece has been ailing for many years now and the most recent developments are only the tip of the iceberg.

*'.....they make it look more serious because they need it. So they can push more and get their own way more. They use it as an excuse...'* [Unionist, Interview 29]

The above words summarise what has happened in Greece after the latest financial crisis in 2010. A problem that already existed is made larger mainly for profit and financial gain and to counteract the slow movement in the market. The economic strain did enhance opportunity and tolerance for more offences. Violations of hours of work have become more frequent and many employers are delayed in their payments. The following two examples are very characteristic of the differences that took place before and after the crisis concerning deviance:

*'...Yes, one of my friends working in sales in R K technology stores, did not have a good rate of sales at that time and they started closing down certain branches. The ones that did not close for business had other problems. They told staff that you either leave on your own – most of the people did and were made to resign in order to lose rights for compensation. The rest that remained worked for nothing! Meaning that they counted the days of work and how much they owed each person but in the end they did not pay up everything. Things got worse and they shut down completely..'* [Employee, Interview 37]

*'...The main outcome of the crisis in Greece on working people is that they do not spend as much as they used to, they feel they have to save money and manage their expenditure wisely. On the other hand, employers use the crisis as an excuse to evade the law. There were a few cases of big business reported. One of the big fish in Greek industry, after the crisis hit, gathered the staff, more than 1500 people and told them 'you either work fewer hours or you have to quit the job'. And this is what most of employers do with their staff now with the crisis. They let some of them go, the less productive ones, and the rest are made to work less and get less pay or work more but get the same pay..'* [Unionist, Interview 38]

Thus measures and crisis only make matters in employment worse and the state's interest through policy aims for improvement in its own fiscal problems rather than promoting real improvement for society as a whole. This fact falls under the scope of

the 'economic versus social regulations', a debate that has been identified by many researchers at an international and European level (Ponsaers, 2002). The promotion of state income and the regulation of competition is always given priority over social justice. On the other hand, employees cannot provide enough collective power and bargaining since unionization is distrusted and limited, especially in the smaller units of the third sector of the economy. The bigger picture of the struggle of classes as it has been formed in modern times in Greece is the structural element that nurtures these offences and can influence the environment where these offences can occur and prevail as permanent parameters of every day working life in the country.

### The influence of Legislation: The restructuring of Employment Laws and the Current Austerity Measures.

In explaining the influence of structural issues on business offending, the state as legislator is another significant dimension that helps account for the changing status and situation of business deviance in Greece. The general tendency is to blur the boundaries of what is considered legal or illegal practice (Davies, et al, 1999). The current legislative changes after the crisis mean that employers have more power on their hands to define certain elements of the work environment and the relationship with their employees. The state, in order to allow for economic growth or its own income growth, will tend to favour the side of business rather than labour. Legislation has altered situations and something previously counted as illegal has come within the framework of legality.

When trying to highlight the role of legislation and its development in business offending one will refer again to the role of state as mediator and legislator in employment relations – as it is expressed by employment laws, the state regulatory system and monitoring of employment and its other ideological mechanisms, specially education and culture – all play an important role in shaping the moral, regulatory and legislative framework of managerial control and satisfaction of the needs of capitalist social formation. Legal definitions can be manipulated in order to avoid control, penalties or stigma. The grey area where these issues can be located stays within the legal procedures (McBarnet, 2006). Considerations of harm and wrongdoing are tied to complex sections of legal codes, informal relays and interpersonal networks (Williams, 2008). It is significant at this point to examine the

role of legislation as it has developed through the years and during the latest economic crisis in Greece.

The main pillars of employment legislation that have been influenced by the new measures to combat the crisis are fourfold: employee income, individual employment rights, collective employment rights and issues on unemployment (INE, 2011). Employment relations have changed for both private and public sector employees in an overall aim to break unionization and collectivity levels and adjust the national workforce - in both public and private sectors – to the financial needs of national capital and the hegemonic needs of the national state, as they are newly defined by the urgent state of the economy and international capitalist trends.

N3845/2010 (Measures for the Application of the mechanism of assistance to the Greek economy from the Euro zone member states and the IMF) is the new piece of legislation directly referring to the re-structuring of employment relations with special reference to deviance. The above piece of legislation is the actual application of the memorandum for the assistance of the member states to the Greek economy. The regulations referring to public sector employees refer to the increased flexibility of wages, dismissals, and mode of employment. The biggest part of the measures focus on the deregulation of the systems of dismissals and collectivity and their main result is only to overbloat the feelings and circumstances of insecurity of the national workforce. The measures specifically include the lowering of national minimum wage, decrease in benefits, in dismissal compensation, higher limit of mass dismissals, restructuring of the system of collective bargaining, restructuring of the permanent employment contracts in the public sector, to freeze levels of private sector wages for the next three years, promotion of flexible employment, decrease of overtime costs, flexibility in hours of work, employment contracts at firm level, and finally strengthening of the regulatory system to combat illegal employment and tax evasion (INE, 2011).

The new legislation over social insurance is based on four additions voted during May - June 2010 and stem from the above framework of the memorandum for the assistance of the Greek economy set by EU authorities. The main piece of legislation is N3845/2010 and still bases the funding of the insurance system on public expenditure due to the compulsory character of social insurance for every employee. This, however, is due to change after the probation period is over (after 2015) when the state will retreat to being a more neutral actor in economic matters and the state

of the economy is believed to have improved to a better balance and fiscal situation. This means that the state will not be the sole founder of the insurance and health/pension system anymore. Thirty per cent of the contributions to the system will now be redirected to the pension scheme for the viability of the new social insurance offices (INE, 2010). Even though more funding for this new system will be absorbed by employees and their salaries rather than employers' contributions, there is no provision for more controls from the Social Insurance offices.

The taxation system has been a factor influencing public economics and the current debt crisis too. The low levels of national direct taxes (8% of the AGP, compared to 13% in the EU) shows state income through taxation to always be lower in Greece. OOSA concluded that even from 2007, the cuts in corporate taxation have put the public budgets in financial trouble (INE, 2011). Eurostat reports (2009) have come to the same conclusions over the national taxation policy and its outcome. More in specific, the taxation for business in the year 2000 was reduced from 19.9% to 15.9% in 2006. And for the larger firms was reduced from 29.9% to 18.6%. During the same period, the taxation on labour was increased from 34.5% to 35.1%. Compared to EU averages, the above two tendencies show that taxation for labour is almost equal to EU levels but for business is around half the level. This fact has played a key part in the need of the Greek state for borrowing to pay for its expenditure (INE, 2009). The above evidence of the clientelist and favourable state and business relations that existed and still exist in Greece show business offending and these clientelist relations as clear cause of the current crisis in state budgets. And it is this imbalance between state and business power that the measures are trying to combat on terms of economic rather than social regulation. And in return for the extra financial controls, the state has offered new legislation that gives the business sector total power over labour where the loss of finance over tax and crisis measures can be re-obtained.

The above new measures only underline the effort of the state and EU authorities to enforce the role of the state over national business for market regulation and offers business total control over labour. This means the total restructuring and deregulation of employment legislation and the increase of business deviance or the blurring of boundaries of legality (INE, 2010). The current crisis is utilized by the national and international authorities as means to discipline the national workforce into accepting less security, lower wages and higher degrees of unemployment and risk. The new measures on employment have undermined the previous pillars of

security against the power imbalance of businesses. The measures that undermine the welfare state and the transformation of the main public services and benefits to private ones follow in the same spirit. At the same time, there is no real provision for an increase in the taxation of businesses and higher income households (INE, 2010). These latest developments are in accordance with the general climate of the old policies that lead to the undermining of employment relations utilizing the same tools that led to the crisis as means of resolving it. This tendency is in accordance with international and EU policy that entails deregulation of the economy and of employment relations and flexibility in the labour market – this is promised to bring economic growth, combat unemployment and assist the competitiveness of the national economy in global markets.

The key term of the new laws is that of Flexicurity. In the above legal framework there was no provision for security over dismissals in times of crisis when business insecurity was channeled through the system of individual and mass dismissals (INE, 2010). Measures directly linked to deviance only contribute to the blurring of boundaries and deregulation. In cases of formal complaints on employment contracts, there are now cheaper and easier ways for the employer to dismiss employees, if the relevant individuals have not been with the firm for a continuous 12 months. According to current laws, there is now freedom for the employer to dismiss a larger amount of the workforce as result of the crisis and there is no provision in the case of resignation of the employee after pressure of the employers (INE, 2009). The dismissals benefits that were paid in full on the spot can now be paid in installments (INE, 2011).

The law is the key weapon in the hands of employees but the current trend is to weaken employees rights through legislation with flexibility and deregulation – a trend that has started since 1992 - especially giving the company owners more powers in order to combat financial loss stemming from the crisis and downsizing of the markets. The difference in power has a protagonistic role in this type of criminality, as white-collar criminals are characterised by high dangerousness due to their highest social adaptability (Dimopoulos, 1988).

Legal categories are derived from the power that underlies and constructs social reality. Here, the role of the state as regulator and legislator is very important and pivotal between the power imbalance between the classes and different social groups. The status of total power of business and deregulation that was also



promoted by the state was one of the factors that led to the collapse of the national economy in 2010, a fact that clearly highlights the role of business offending as one of the main causes of the economic crisis. Since then, the state has been trying to reclaim hegemony from business in order to salvage the economy. Thus, the current austerity measures function to promote state power as opposed to business power rather than promote equality and labour rights. But the pressure created for national business and the loss of profit from business will be pushed back to labour either legally or illegally. The low unionisation levels undermine the political power of the national workforce so state reaction and the existing legislation is the only reaction to business illegalities.

Globalisation and the current financial crisis are leading the way to another crisis, that of relations between the state and society, labour laws and politics. These elements lead further to the division between reality and legislation (Travlos, 1990). The current rhetoric over legislative change promises more social justice, transparency and equality while its actual aim is to reinforce the role of the state over business. Finally, flexibility and deregulation continue to be promoted where state income is not at stake by 'legalising' business deviant behaviour. These are measures that do not support a healthy resolution of the current problems in Greece and can unfortunately lead to more problematic situations in the future.

*"...employment law in Greece includes many positive elements. But during the past few years there has been an effort to undermine this...There [in court] you get the best chance of receiving justice, even though there have been cases in which we had problems of interpretation of the law. But I would say that, at least for now, the courts are doing people justice. But I am afraid that with the constant undermining of the legislation and retrieving rights, the courts will not be able to do the right thing, even if they want to..." [Unionist, Interview 16]*

### **The modern role of collectivity: Low unionisation rates as outcome of national and international trends – increasing the power imbalance, increasing deviance.**

After referring to the economic and policy dimensions that can influence business offending at the structural level, it is important to review the side of employees as to investigate the role of relations with the other two dimensions and power structures within them. And this side is of course the side of collectivity and unionisation.

According to Bourdieu (cited in Ruggiero and Montagna, 2008) history teaches us that there is no meaningful social policy without movements capable of imposing it, and that it is not markets but movements that are able to civilise the economy. The trade unions are the collective movements that operate in the economy and labour market and it is their duty to intervene in employment relations. Social bargaining and fairness are the aims of trade unions (Joseph, 1989). They exist to improve the pay and work conditions of their members. They pursue their primary goal of defending and improving the conditions of life and work of their members within the confines of national systems of employment relations (Department of Trade and Industry, 2005). The appearance and development of unions has been connected to what has been named in theoretical and historic terms the society of employment – the capitalist industrial society. The existence of the working class is not necessarily equal to the existence of class consciousness – the unity and consciousness of the working class was never a natural result of its existence rather than a result of the copious efforts of the unions (Palaiologos, 2006). Union membership influences perceived powerlessness, by providing members with a responsive organization that contrasts with their lack of control in the workplace. Furthermore, collective identity offers orientation in a moral space, a rise to self-esteem and efficacy, leading individuals to appreciate their capacity to change the surrounding environment (Zingtaff and Leiter, 1993). Only through a participatory process do workers gain tools and consciousness necessary to maintain a democratic structure (Ackers et al, 1996; Markowitz, 1998).

### The changing character of unions in industrial and post-industrial production

In historic terms, unions were born out of workers' reaction to their individual powerlessness to fight back against exploitation. The development of capitalism led to the development of unionization in North America and Europe around the end of the 19<sup>th</sup> century (Palaiologos, 2006).

The character of unionisation has changed from industrial to post-industrial societies. The rapid diffusion of new technology has been an important influence on the nature and conduct of industrial relations. In Greece, the response of the main unions experiencing technological advancement did not successfully develop a coherent strategy in the early 1980s. Partly because of fragmentation and inter-union rivalry

the Greek government of the day played a vital role in settling the dispute between labour and capital. The outcome was downward pressure on earnings, degrading of status and conditions and loss of key elements of the labour process (Leandros and Simmons, 1991).

Employment did not change only because of economic changes and the restructuring of capital. There was additionally a change in values and lifestyles, worldviews and aspirations of people that further influenced the way they perceive their interests and how to claim them. These changes influence unionization in a variety of ways since they are connected to increased individualization and weakening of collectivity and unity. But even though values and conditions change, this does not equally represent a change in the class formation of society and the unequal employment relations (Palaologos, 2006).

*'... The values have changed a lot. Collectivity and solidarity have been replaced by individualism and personal interest. Today we are supposedly living in a global market, corporations move from one place to the other. The services have overthrown the industry...' [Unionist, Interview 16]*

*"...In past decades it was considered unacceptable for people to work overtime and not get paid. It was a well rooted value...Employees are now not collectively organized but operate at the level of the individual...They do perceive the problems as problems but they do not have the perception of how to react to this. They do not know how.... Young people have a different set of values, compared to other generations...Some may even find it natural to have to work ten hours per day. They seem to be indifferent to the situation. And I am not one of those who believe that when things get difficult, people tend to unite. This is not necessarily true, and in the case of our country...most definitely..' [Unionist, Interview 29]*

At the level of public image and relations, unions are widely perceived as dated formations of past societies that have no place in the modern era of globalization and the society of information and knowledge, and new technologies (Lecher, 1994). This image has put the unions in a defensive state over the claims of irresponsibility and obsolescence. This means that in order to fit into the new canvas, unions have to cut back on their principles and demands, something that will, at the same time, promote a climate of weakness and ineffectiveness that reduces the ability to attract more members. Due to this modern situation unions find themselves, there is now an increased number of businesses and industries without formal union representation (Palaologos, 2006).

The deregulation of employment relations and low unionization has serious effects on a number of different aspects of the new formation of employment relations. First, it

creates a number of different contracts over wages, hours of work and other dimensions that are not to be found anymore in one single and commonly accepted consensus. Second, the bargaining is transferred from the collective to firm level, where employees are usually more isolated, thus, weaker. Third, it reduced to company level the unity of the workforce that is connected to the interests and competitiveness of the company rather the collective interests of the workforce. Fourth, it creates coordination problems of the individual unions in companies with the relevant federations and fifth it deregulates the previously secure rights ascribed in the collective contracts. Because of this, employers can regulate the levels of wages and hours of work in their own business as they please without any constraint from collectivity and other contracts, an element that decreases regulation and can increase the opportunity for illegality (Palaologos, 2006).

There is a current national trend for change in the formation and structure of unions that mainly entails the integration of different unions into one. This can create competition, political and organizational confusions and ambiguity of goals and aims. There is also a current need to develop union efforts for better organization, communication and openness. Changes in unionization are due to the changes in their external environment, as previously mentioned, but also to their own institutional and political formation and the interaction of the above two factors.

### The relations of the national trade union movement with politics and the state and their recent role within the reactions to the austerity measures and influence to deviance

The first and necessary element in order for any labour movement to appear is always the existence of paid labour. In Greece, paid labour appeared initially in agriculture during the second half of the 19<sup>th</sup> century. But the crucial point for the actual formation of the union movement was the transition from the fields to the factories that occurred at the turn of the century as the first mining, shipping and railway industries developed in places like Piraeus, Syros, Lavrion and Patras. The Balkan wars in 1912-13 incorporated into Greece what is now its northernmost areas which meant more hands available for the development of industry and a new industrial zone in Thessaloniki. After that, in the 1920s, the incorporation in the

national population of the Greeks from Asia Minor meant further industrial development and the increase of the population in the new industrial cities. Paid labour was, by that time, the common way of making a living in Greece. But for the actual establishment of the labour movement, the existence of workers per se is not enough – the ideological elements are also needed (Athanasziades, 2008).

The development of a distinctively Greek socialist ideology was influenced by the 2<sup>nd</sup> International and first appeared during the second decade of the 20<sup>th</sup> century. This gave the new working class an ideological and collective identity. From the few federations at the time, the one of Thessaloniki was the most active and especially for the establishment of a national federation that occurred in 1918 with the founding of the General Confederation of Employees of Greece (GSEE). At the same period of time, the liberal government of Venizelos was motivated towards modernizing the country and in 1914 established the first employment laws: law N281 regarding the establishment of unions was the first and founding legislation for the legal establishment of the trade unions in the country. Thus, the socialist intelligentsia and the liberal politics of the times were the two catalysts for the development of the modern national trade union system. The prime minister himself was the central motivator in assisting the founding of the GSEE and the SEKE – the Socialist Workers' Party of Greece (Athanasziades, 2008).

Politics played a central part in the development of the trade union system in Greece from its establishment until now. Over the years, all political parties attempted to influence the central administration of the GSEE and other key trade unions. The trend followed was that of the existence of a mix of different political influences within the same federation or union system. The first ever distinct sect of political influence was that of communism as was defined in the first ever conference of the GSEE. There were another two political influences at the time, the socialists and the liberals attached to the government. The government itself wanted full control of the federation so that unions could exist within the realm of liberal politics, thus, legislation was passed in order to provide a way for the government to control the federation. The centralization of power and control by the state of the union movement in Greece has been deeply rooted in the history and development of the movement. These actions led to the separation of the union movement into the above three distinct ideological parts. The different parts followed separate approaches and the only attempt for unity came in 1936 and during the war in fear of fascism (Athanasziades, 2008).

*‘...sometimes people go to their union and they do not find cooperation. And in higher level collective bodies there are political issues involved and I mean political parties. And people, even though they do not like this fact, can get carried away with political issues and even if they do not like it, they will support the political agenda as it is constructed ...’*  
[Unionist, Interview 29]

All institutions of the social state were developed in European countries during the golden years of the social democracy of 1945 – 1974. But those ‘thirty golden years’ of the European social democracy do not equal the same development for Greece. In Greece, the civil war separated the country in two minimizing any efforts for economic development and social state. This lasted for 25 years until the military coup occurred in 1967. Any funds during the times were utilized for the growth of the oppressive mechanisms of the state as well as the ideological mechanisms of control. During those dark years any significant union activity was immediately defined as ‘communist’ and immediately taken out of the federation. Union leaders that had the same fate were displaced, and sometimes imprisoned or exiled. That was the time that cultivated the climate of individualization and paternalism in the union system with strong personalities taking control of the federation to pursue their own interests. During the 1960s, 115 unions separated themselves from the federation and represented the movement of the left pushing for democracy and social justice. But the military coup that followed in 1967 marked another oppressive period for the country (Athanasziades, 2008).

These waves of political imbalance deprived the country of a proper development of a social state and when the opportunity came with the political stability established with the third democracy in 1974, the economic situation in the country and internationally had already gone into crisis, and the European social democracy was under attack from neo-liberal forces. The new crisis situations to follow (petrol crisis of 1973 and 1979, decline in unionization during the 1980s, and the fall of the Soviet regime in 1989) gave rise to a global neo-liberal political formation that promoted competition and demanded a strong state providing all political and legal bases for the growth of capitalism and at defense from interests groups, mainly the trade unions. This trend started in Britain during 1979, expanded globally and has meant the decrease in unionization and the Social State since then (Athanasziades, 2008).

In Greece - according to data from 2003 – there are around 800,000 registered union members. The structure of unionization usually follows companies/industries or professions and is always related to specific political ideological or other interests (Palaologos, 2006). The character of unions and the national federation is definitely

different today than during its first era of development. But the distinct political strings within it, the constant disputes over significant issues and collective bargaining and the frequent exposure of the federation's members affiliated with political persons and parties define the remaining political character of control the national unionization movement that has persisted since its birth (Athanasiaides, 2008). From all the above social and political realignments it is evident that unionization in Greece has always been strongly connected with the political scene of the country, an element that places obstacles in achieving its focal aims for employment rights and social justice. Thus, the relations of unions with the state compromise their efforts and power, alter and corrupt their organization and function and through this have an additional negative influence on membership and equal representation.

*“..Most of the companies do not have a union of their own... And a lot of the unions who might exist...are controlled by employers....” [Unionist, Interview 30]*

There is currently a crisis in unionization as participation and reliability have decreased due to the current socio-political and economic changes. Mass unemployment causes problems of participation since the unemployed are known not to participate in unions because they believe that they do not represent their interests. The threat of unemployment is usually manipulated by employers as means of discipline of the workforce against unionization. On the other hand, the increased demand for a job post weakens the power of unions. The modern dynamic of capitalism uses as a weapon the unemployment that is created by itself in order to bring organized labour in competition with new divisions and challenges (Palaiologos, 2006).

Recently, the union movement in Greece has had victories during the first years of the new democracy. The first governments of the democratic state of the late 1970s and 1980s followed a Keynesian oriented policy to promote growth but in the early 1990s due to the national economic difficulties and via additional pressure from European ideological trends they have given up on this effort. A result, though, of their policies was the development of the middle classes in Greece and the solidarity and development of the unions mainly in the public sector, corresponding to more social security for public sector employees and more welfare state for the middle classes. Nevertheless, the hard gained rewards did not last long under the neo-liberal European pressure and the global crisis that was just around the corner (Athanasiaides, 2008).

The financial crisis and the measures taken to improve the situation in the economy have created new legislation that further undermines the strength and bargaining power of trade unions, especially at the collective level, as bargaining has been restructured. In an effort to provide critique and suggestions, the GSEE has declared the above measures against the constitutional rights of Greek employees as regards collective autonomy (article 22 of the national constitution), union freedom (a23), social right to employment (a22), equality (a4), human dignity (a5), and the social welfare state (a25). Thus, the memorandum from the EU authorities and the relevant austerity measures are restructuring the already weak employment balance in the country promising economic results that cannot be guaranteed in a viable and measurable way (INE, 2011). Collective bargaining is biased to one side since the system of collective bargaining is being restructured and now consists only of the two parties leaving out the element of the secondary organization of unions and only permits the union of the specific firm to participate (INE, 2010).

Suggestions for a socially equal exit from the crisis must not only aim at monetary solutions, but additionally at proper regulation of the banking sector; public expenditure for the development of the sectors that were hit by the financial crisis; security of income of all social insurance institutions; social security for the unemployed; increase in public spending for health; permanent income for those on low pensions; making all dismissals during the crisis illegal (as has happened in other European countries, eg Netherlands). Moreover, increased provision for the improvement of employment inspection units with more technology and staff are also necessary. Strict penalties for offenders, especially for the case of illegal dismissals and annual leave without pay that have been frequent during the crisis due to loopholes in the legislation and increased insecurity of the workforce are another need (INE, 2009). It is significant that the formal reaction of the trade union movement in the country realizes the role of business offending as cause of crisis and promotes suggestions that deal with offending in the workplace and not just taxation.

The lack of unionization is a reality for small business in Greece and larger units are very adverse to it. The third sector worldwide has been found to be characterized by low unionization (Moule, 1998) – another element that further undermines the collective and individual power and perceived power of employees. The phenomenon of business deviance in the workplace and the lack of efficiency the unions have been perceived to show when assisting their members in dealing with it have had



additional negative effects on the relations of employees with their representatives. After the fall of the monarchy and dictatorship that followed, the development of the new extra-institutional terms of consensus was what composed the basis of the modern phenomena of clientelism and populism (Charalampis, 1989). This has created the current problem with representation and trade union democratic shortage. It is creating inequality and hierarchy within democratic collectivities (Koskinas, 1995).

*“..They are not thinking in a collective way, and I think that those are the people that are disappointed from the role of unions...They think that we do not produce any positive results for them, that we can't make a difference. My opinion is that this reaction is partly justified...” [Unionist, Interview 14]*

The majority of the national workforce does not unionize and shows a wide distrust for unions regarding their ability to assist them with issues of employment or labour law violations. The political character of the national trade union movement and the strong connections unions can be found to have with employers' and their associations are the main source of concern together with the belief that people that unionize or work for the trade unions are usually only concerned with their own interests. According to Newell (cited in Abadinsky, 1994), an employer can be tempted into a corrupt relationship with trade unions for the following three reasons: through payment he could persuade the union officers not to organize the company, he might be able to get a good agreement with the union, or he could use the union to his advantage by limitation of competition (Abadinsky, 1994). In this case, the new measures can only reinforce this belief and the control of unions from employers as according to the new laws. Firm level bargaining is the future.

### **In Conclusion: Re-structuring for promoting the needs of capital – re-defining deviance**

Structural elements have been identified in this chapter to play a significant role in the formation of the national economy, policy and legislation and the development of the trade union movement. All these factors play a part in the operation of national business in a small scale economy that creates strain and opportunity for deviance. Within this framework, the state with its policies and the capitalist European and international trends push for more deregulation and flexibility in the markets that is

being incorporated into the legislation. In this way, previous corrupt state and business relations and previous illegal business practices are newly defined within the realms of legality changing the character and values of the social bargaining occurring in previous industrial modes of production. In this the state is able to de-politicise criminality and promote business offending – especially that which refers to the social regulations – as morally acceptable, as a sacrifice for exiting the crisis. This further creates the paradox of presenting as a solution an intensification of the situations that previously contributed to the country's economic downturn.

The political has been identified to play a pivotal role. Political practice is where relations of different contradictions finally fuse relations that specify the unity of the structure. It is a practice which has the present moment as its object and which produces transformations of consensus. Marx's phrase 'antagonism of the state with society' indicates not only the autonomy of the respective structures of the political and the economic fields, but also the relative autonomy of the state from the politically dominant classes (Poulantzas, 1974). The hegemonic class is that which concentrates on itself at the political level. Through its particular relation with the capitalist state, it is able to maintain its double function: representing the general interest of the people/ nation and maintaining its specific dominance among the dominant classes Gramsci (1999). Thus, the main role of the state is to act on class relations. In the case of Greece, the state favoured and promoted entrepreneurship was noted early on and still remains the key objective of policies rather than the promotion of social justice.

In Greece there was a status of total power of business and total deregulation. The role of the state was to act as guarantor of this hegemony but now, after the current crisis, the state is trying to reclaim the hegemonic role from national business in order to salvage the economy. Thus, current measures function to promote state power that was taken from business rather than promote equality for labour. This serves to shift the pressure created by the current crisis from capital back to labour, as what capital is losing now in profit from the financial situation and from state imposed austerity measures is pushing onto labour via methods of employment cost decrease - through legal or illegal ways. The current state of low unionisation undermines the political power national employees have for a collective reaction to the problem, thus state reaction is the only remaining reaction to business crime.

## **Chapter Five**

### **The meso level of analysis: The role of State as regulator and the analysis of the official response to deviance in the workplace - filtering social reality with power, politics and organizational function**

In this chapter the analysis will continue to the meso level of analysis, by focusing upon the structure and function of the regulatory system and the extent of crime as it has been measured by the relevant authorities dealing with business deviance and employment law violations. The first part of the chapter will look at the role of the state as regulator of business offending in the workplace by examining the function of the system of control, its character and its effectiveness in controlling deviance. Next, the official statistics kept annually by the organizations that deal with regulations and control will be presented in an aim to examine how widespread business deviance is with an additional focus on the effectiveness and character of the system of control as it permeates the measurement of crime. What this enquiry can offer is an illustration of the national recorded rates, the problems of recording this type of deviance and victimization. It can further highlight the power, politics and organizational function that define the regulatory processes.

The state and system of regulation and control for business offences is here defined as the meso level of analysis. And this is because the state and system of control acts as a link of structural tendencies stemming from capitalist interests of national and global character with the actual reality of everyday experience of business function and practice and work environments, where criminality occurs. These two dimensions are filtered through the state system of control where the offences defined and identified will be recorded and prosecuted. Thus, reality is being filtered through the state regulatory system, defined as deviant and sanctioned. The relevant political choices are always present in the legislative framework that defines the regulations and the function of the system and involve class struggle as mediated by the state. The state is a specific social category because of the specific unity presented in its functioning as a social group and its relative autonomy from the social classes (Poulantzas, 1976). In the case of Greece, the state as regulator of business crime has the responsibility for the diffusion and protection of labour ideology and interests but beaurocratisation and corruption neutralise this. The system as it currently operates only controls the phenomenon and does not offer a

successful solution. Since the state promotes entrepreneurship it has already taken a stance in class struggle and specifically with regard to the ways it manifests itself in a phenomenon such as business crime and offences in the work environment. It is important to investigate the role of the relationship of state and business and the methods that block the investigation of business crime (Jordan, 2003). Through this the importance of state intervention in the control of business offending becomes evident and shows where the actual link occurs between the structures and the agents that are involved in business offending in modern Greece.

## **The system of control: Reporting rates**

### Factors influencing reporting rates

*“..The authorities are there, the unions.... and maybe they do an amount of work which I think is not enough. They will only deal with the cases that are brought to them, but most of them never get reported..” [Employee, Interview 37]*

Before the actual elements of the system of control are presented, the point where the system of control begins will be examined. And this is none other than the procedures of reporting employment law violations. The pathway an employee has to take in order to report an offence must be examined together with all factors that can influence this pathway. Reporting employment offences is not easy and, as mentioned in the above quote and many times discussed with the participants of this study, most of the offences in the workplace never get reported.

The fear of unemployment and job insecurity, personal characteristics and family situation of employees and career aspirations are limiting factors as regards reporting rates. Groups of individuals with common interests are expected to act on behalf of their common interests just as single individuals are often expected to act on behalf of their personal interests. But it is not in fact true that groups will act this way. They generally do so only if coerced, or are given some sort of important reward (Olson, 1965). Three types of employee reaction to offences can be identified: those that never report, those that always report and the vast majority of those that will report on certain occasions according to the circumstances.

*‘...Most of the employees shy away from the authorities out of fear. But there is another part of them that do not fear or do not care for some reason and they do report. Or they might be very law-abiding and believing that they will report whatever evades the law because they feel they have to. They feel it is their right. And it is a good fact that these*

*people exist, even if it is only few of them, because if it wasn't for them, things would be even worse. Employers would be totally fearless of the law and inspectors..'* [Employee, Interview 28]

Employees are more aware of their rights and the procedure of how to claim them but the fear factor always poses a problem. Levels of insecurity interrelated with the personal characteristics of each individual case influences reporting rates of offences in the workplace. The levels of insecurity have become more intense with the financial problems of the country and the influence this has upon the households and job insecurity. Thus, reporting rates after the crisis hit are expected to be lower.

The most important element of the labour contract – the wage – is the greatest factor motivating employees to go the distance and report their employer. People take it for granted that if they don't receive pay from their employer they will pursue a case even if this means losing their job. But since they are not receiving a wage anyway they do not really care about getting fired. This seems to be the strongest reason for reporting. MacDonald (2001, 2002) claims that the seriousness of the incident is important in determining whether an incident is reported or not, as far as conventional crime is concerned. In the case of business crimes, the seriousness can be measured in financial terms and usually involves wages.

An element that has assisted in the lowering of reporting rates and the weakening of victims' empowerment is the increased individuality of the character of cases. The combativeness of collectivity and unionization that has prevailed during the last couple of decades has entailed a lack of assistance to the representatives of working people seeking justice over labour laws. Capital has managed to reclaim more of the resolutions of employment issues going through line management, HR departments and committees established within the business organizations themselves rather than going through the state and formal system of control. Thus, the weakening of collectivity, low unionization levels and competition of employees has a great influence on reporting rates and in particular in cases never having to 'leave' the organization. Collective actions against an employer will end up in a win if pursued, but people are afraid to claim their rights. Thus, collectivity in pursuing a case is not always achieved. This crisis of collectivity lowers reporting rates and creates more imbalances in relations of employers with their employees over control of employment conditions.

Employee anonymity is a further element that can help increase reporting rates and the regulatory system will try to protect it where possible. It is stated by law that the name of the employee reporting must be kept hidden, except in cases of criminal procedure from the employee. But the smaller size of national business, the subsequent smaller amount of staff a company employs - where issues of complaints are usually made public or enquired about by employers - are limiting factors. The insecurity, informality of relations in the work environment and the competition between workers will eventually pose additional problems in keeping anonymity secured. The main reason anonymity is a requirement in controls and inspections is to secure the job post for the reporting employee. Legislation does exist in order to avoid dismissal in case of names coming out but employers will normally tend to delay dismissal for a specific amount of time. Reporting employees are usually stigmatized as troublemakers or disloyal and will be dismissed sooner or later. Stigmatization issues can play a serious part here as the stigma attached to lengthy complaint procedures can discredit a person's identity (Goffman, 1964) and in hence future career prospects.

*'..and there would be more people coming forward with cases if the system was more secure and anonymous. I don't know how but names get known in a way. I mean after our complaints a lot of people received transfers. How is it possible? The system fails to cover the employee and then you lose your job. That is why people are afraid to come forward...'* [Employee, Interview 19]

*"..People are usually afraid to report for various reasons and mainly because even though the complaints are made anonymously, the employer will seek and he will often find out who it was. And it is very logical, because among 10 people the employer knows who is dissatisfied and the other employees will normally tell. And the employee usually gets dismissed.."* [Inspector, Interview 13]

Additional factors that can influence reporting rates have to do with the confidence of employees in their ability to be employable and their knowledge of the law and respect of their own rights. The diffusion of knowledge on employment law and its current changes is therefore important. And it is here where the lack of unionization impedes the diffusion of knowledge since unions members were the ones to take upon themselves to educate concerning employment rights. Enquiries with the employee participants of this study, the organizations or the media or the internet were the most frequent sources of seeking out information on employment rights. Some people will, further, telephone the regulatory bodies for this information as these organizations do currently include hotlines and additionally play the role of the educator on rights and regulatory procedures. This can create more equity between employers and their staff and can additionally help with preparing employees to act

similarly with inspectors, through being able to recognize offences, realize their own victimization and be ready to report the offences and kick start the regulatory procedure.

*“...But I don’t really see it in the strict terms of an “offence”. I think that since some employees decide to stay and do extra work, you as employer should be equally respectful and award them for their good will....And I guess this is the way of thinking that they are intentionally trying to enforce on us... It is not random, I think...” [Employee, Interview 18]*

The frequency of an offence happening to a person within a certain work environment is another factor that can assist reporting the offence to the authorities – and that is if the person will not just decide to look for another job and avoid unpleasant consequences from reporting, as most of the people normally decide to do. Personal gain must always be perceived to exist and be feasible for an employee to report an offending employer. In other cases people will not report. In smaller units, where informality of relations exist together with interpersonal everyday communication and small distance between employers and employees concerning work tasks and activities, animosities can be created together with harassment, a fact that sometimes ends in reporting or even false accusations from the side of employees leaving a company.

When employees want to report offences, they normally tend to avoid lengthy and insecure procedures. There is a general distrust of the formal system of control. In particular, anonymity – which is a vital element in order for someone not losing his/her job – is not always assured and this is the general perception for the regulatory system from the point of view of the employees. The relations between employees and employment inspectors include their own imbalances as well. Corruption of inspectors and fear that they won’t be taken seriously by the authorities if they stand alone is another factor influencing employee reporting levels. The system that has been created to support their own rights is actually mistrusted by the employees, who are thus made to feel isolated. They know that the main form of punishment for the employers who are prosecuted is monetary fines. These sanctions do not seem to have a lasting effect on the offending behaviour of the employers in the commercial sector.

Moving on to examine specific characteristics for reporting levels of different types of offences, issues on social insurance will be highlighted. For social insurance offences, the consciousness and confidence of the employee plays a serious part in

reporting levels. The authorities will always take matters seriously and the employee is sure to receive whatever money or insurance contributions he / she is entitled to. And this mainly occurs because social insurance is connected to state income, thus, government budgets are at stake together with the funding supporting the operation of the national health system. These offences go through the social security offices and involve strict laws and penalties for offenders. The interest of the state in this case empowers the reporting employees' side and a win is always secured when an employer is found guilty. But the employees' side can have an adverse outcome since many of them will consent to the offences.

*"A key element for improvement is for the employees themselves to have a conscience of all those issues, and how social insurance can make their lives better, so they will not try to avoid it themselves, in order to secure a job or to gain a higher salary" [Inspector, Interview 4]*

Moving on to health and safety reporting levels, the cases most likely to be reported are those of work-related accidents. This happens because employees are justified in the eyes of employers to claim their health rights and get the compensation they need. This way the employers will not stigmatize them and influence their job security or their future careers. The exact opposite happens with all other social regulations. Usually those reaching the authorities are serious accidents or ones causing death. Within 24 hours these cases have to be reported to the police, employment inspection unit and the social security office. And this reaction is secured because of the seriousness, harm and the financial compensation offered. The social security office will only pay a limited amount so they have to take the employer to court, in order to receive substantial compensation. The high reporting rates for financial compensation is only one reaction to health and safety offences occurring. This usually refers to the serious offences of deaths and accidents at work. The second reaction refers to less serious offences or the ones that have a more distant impact. The reaction to them is never to report mainly due to the inability to identify offences or through voluntary compliance for more money, or because they do not understand the impact or believe nothing is going to happen to them. With regard to safety issues, mistrust prevails amongst employees toward unions or the technical engineers or medical doctors who are there to assist them. They believe that these people serve the interests of the employers and will not readily approach them.



### Reporting rates in financial and commercial services

Employees in banks and financial companies prefer a prestigious job and career and are afraid to cause any problems for their employers, so they don't normally report offences. They mainly deal with issues internally and communicate with the HR department. These departments prefer to keep things that arise quiet. There is also mistrust of the unions - distrust in unions and competition breaks collectivity and the power of the workforce -and they believe that the public authorities are doing an inadequate job, and that any reporting attempt on their side would just backfire. It is considered preferable to deal with issues internally in the company. There is fear of collective action even if it concerns the totality of the workforce. In financial businesses the intense employee competition leads to the deterioration of collective action and non-reporting or even not mentioning the problems to colleagues.

Additionally, the difficulty in getting a job in such a sector is another element that makes these employees insecure and unwilling to report. Even though they are mostly educated people, they do not appear that well informed about the legislation. Moreover, the personal situation of each person will always be play a part and ultimately they too – as people working in the sector of commerce – believe that reporting means losing your job even if you do win your case. Adversity due to procedures and costs, something that similarly can concern people deciding on seeking out criminal justice services for conventional crimes – can have an influence too, even in the educated and better paid white collar employees.

The consequences in future career prospects are always taken into consideration in cases of offences and people prefer to keep silent and not to report – they just prefer to start looking for a new job if they are not satisfied with what they have. Unionists confirmed the fact that what normally happens with cases pursued is that the employee will lose his / her job. And the legislation, by not providing sufficient cover is not helpful and is unable to diminish non-reporting. Furthermore, the current trend to undermine the existing legislation causes even more problems in reporting levels and winning cases. The intercommunication of employers, in seeking job references and career development, and their close interests and association of in the sector means future stigmatization of employees and whistleblowers. The power of the banking sector and technical efficiency of any financial actor is a negative influence for reporting - especially since the staff are not collectively organised in the pursuit of their rights – on the other hand employers in the financial services are very afraid of

collective action of consumers or employees. So, they will try to weaken collectivity by any means or managerial technique. Employers are very collective in their interests and financial employers are usually larger in volume and efficiency.

*'...That they will make you look like a threat to new employers. Usually you have to give them references.....They will usually call up your previous employer. This is where they have power to influence your future career... they avoid employing people that report cases because they might be illegal or in any case they don't want any involvement with the inspectors. They can even lie about you and portray you as lazy and inadequate. Then you get a stigma. This does not happen all the time but it still does happen. For example, in my previous employer, one of the girls that went to complain to the supervisor and told him that she meant to take things further she was told that if she did this she would never find another job and that they would make sure of that....'* [Employee, Interview 7]

*'.. I guess if I reported something it would have to be something that would justify me to a next employer, that I was right to act like this against my employer – that I am not a danger to them. This is the only way not to have your career affected. Except if you think you can remain anonymous, but this is extremely difficult....'* [Employee, Interview 1]

Many similarities of the two sectors can be found as regards intercommunication of employers and individuality of cases, low unionization and distrust in the unions and authorities. Employees in commercial services are less educated most of the times and cannot always distinguish offences or even if they can, they tend to focus on the ones involving financial gain and it is this they tend to report as they see it as worthwhile in order to improve their income or get what they have been cheated out of. They show an increased adversity to 'procedures' and to the effectiveness of the system of control which they often perceive as corrupt. Their most common reaction to deviance is either passivity due to their personal circumstances and needs or the seeking out of alternate employment.

### The employer's reaction

The employers' reaction as far as being reported for an offence and responding to it, is always significant: this usually involves the discovery of names and administering of punishment to the employees responsible for the complaints to the authorities. This will happen in a public and loud way, so as to limit further reactions to deviance. The general notion of the employers' attitude concerning reporting levels and their reactions can be of a mixed nature. The usual reaction of employers to being inspected and controlled by the state is to accept and comply with the procedure as inevitable. There are a few who resort to verbal or even physical abuse of

inspectors, but the compulsory role of the law and punishment enforces the procedures on employers.

The above example is especially characteristic of smaller employers. There is pressure on employers, especially smaller ones and they tend to avoid getting involved with the inspection authorities. They will comply more readily but they too can pose problems to employees who report offences by denouncing them to future employers as informers. This will obviously create a climate of intimidation to staff and so create an environment which makes employees less likely to report offences. They can also delay procedures or avoid blame by pretending not to know the relevant legislation over certain issues, especially when employment law is currently changing. The climate of fear and intimidation is enforced by the employers so that employees will not react to deviance. Public humiliation and punishment of people who report is one strategy, as is the dismissal of such employees. This keeps the rest of the staff in fear and controlled.

*‘There is a form of intimidation out there. It is usually psychological, but sometimes we will have extreme cases where physical violence is used. The notion is: “Don’t talk and everything will be fine. We are a family...” [Unionist, Interview 14]*

*“...The bottom line is that he managed to shut both doors for me. This is it, employers of the same sector and specialization will always communicate...it’s the general policy that prevails these days....’ [Employee, Interview 17]*

All the above information and data sketch an environment that infuses employment law violations that by norm never get reported due to the insecurity caused by the threat of dismissal coupled with unemployment that makes finding alternate employment all too difficult. Business crime over employment legislation is an offending behaviour that includes no stigma to the perpetrators or drama from the side of the victims. It is mainly viewed as an everyday phenomenon that occurs in the labour markets that is quite frequent and is connected with the intension of employers desires to maximize profit – it is viewed in financial terms and rarely perceived as ‘real’ crime. Employees view the offences as injustice that they willingly have to tolerate because of the difficulty in the current economic situation and the power imbalance between them and their employers. Their distrust in collective actions and general inhibition in approaching the system of control additionally reinforces this. This is an example of the perceived ‘normality’ of business offending over employment legislation. This immediately creates the paradox of perceiving a serious offence, frequent and victimizing a vast proportion of the national population

with direct impact on their everyday lives and families, as a financial injustice due to the technical nature of employment legislation and the specific structures of national capital. The power imbalance between capital and labour assists in neutralizing the offensive behavior and twisting the stigma around from the perpetrator to the victim, from the offending employer to the reporting employee. In conclusion, two main tendencies were found concerning reporting rates: some offences are almost always reported for the purposes of receiving compensation, some are rarely reported, a fact that mainly applies to the social regulations.

### **Types and Frequency of employment offences**

It is interesting to offer an illustration of types of offences before presenting the actual procedures of the system of the control and regulation. This presentation will offer insight into the actual act of deviance and the relevant harm that can be caused by the offence.

The main thematic chapters of the Greek Employment legislation are the following: Employment Contract (types, differences to other contracts, constitution of, employees, contract of trainee, employers, termination of, employment rules); Process of employee appointment (appointment, publication of appointment, penal and other liability, tribunals and fines, social security, underage employees, migrant work and others); Process of dismissal (annulment, company termination, bankruptcy, death of employer, death of employee, illegal dismissals, multiple employee dismissals, tribunals and compensation, fair treatment, equal opportunities, dismissal of specific types of employees, and others); Social Security (Unemployment Welfare, Benefits towards children and family, disability, army service); Annual leave and related benefits; Employment and Time (hours of work, overtime and types, hours of work per week and year, hours of work in different sectors of the economy, days and time of public holidays, pay per hour of work and public holiday, night shifts, and others); Wages (Voluntary allowance, type and method of payment, time of payment, receipts, consequences of not payment, tax, work experience, family and other benefits, lower and upper national wage, benefits for lower annual wage, company accountants, and other issues) (Lanaras, 2005). The main duties of the employee are towards the provision of work; the personal element and variations; the kind of work; the place of work performance; the method of work performance; the non-performance and the right to non-performance; and

liability. On the other hand, the duties of the employer are: to employ the worker; provision of decent working conditions; equal treatment; provision of a certificate at the end of a labour contract; expenses of employees; time off; N156/1994 Employer's obligation to inform; sexual harassment; and protection of privacy (Koniaris, 2002).

*'..in my opinion, in Greece the nature of the process of legislation is the one of regulation and not prevention. The legislator tries to combat problems and not to prevent them from occurring. Only financial problems and budgets are cared for concerning prevention. There is a different culture in this country, we do not like to follow up things sometimes and see them finished....' [Manager, Interview 5]*

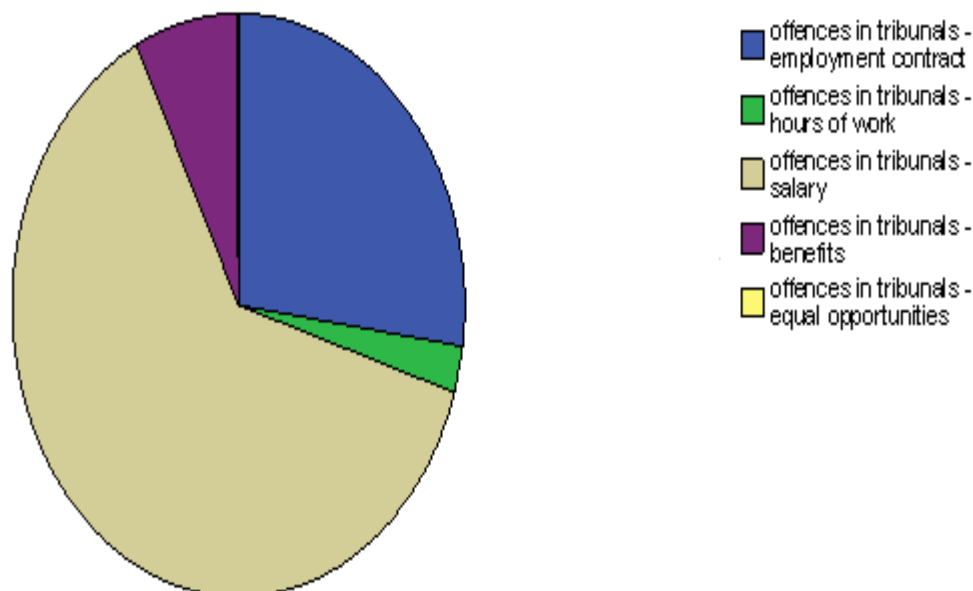
Concerning the frequency and seriousness of the above types of violations of employment laws committed by businesses, the following main issues were identified. The most common offence committed is working under illegal status with no employment contract and the associated evasion of social insurance contributions. These offences concern the basic pillars of the employment contracts, thus, the most expensive parts of buying paid labour. These activities support the illegal economy in Greece, estimated approximately to constitute 35 % of the economy and existing in all relevant economic sectors (Vavouras and Manolas, 2004).

Additionally, unregistered and unpaid overtime are very frequent offences; other offences relate to benefits, annual leave, health and safety at work and bullying and harassment in the work environment which can further be considered common. They appear on the typology for registering offences in the statistics kept by the authorities (see, SEPE 1999 - 2010) and many examples of the above were discussed with participating individuals in all four target groups.

From these types and frequency of offences in the work place it is interesting to view the rates of those that entered the system and were dealt with by the tribunals system. This will offer a clear indication of the types of offences that are actually reaching the system and perceived as worthwhile by employees to pursue. In Graph 7 the information supports the conclusions drawn earlier about the importance given to financial issues and the significance of employment contracts and salaries in paid labour. The vast majority of cases refer to offences dealing with the above two categories. Salary infringements are the most serious and frequent offences to reach the tribunals, as it involves almost two thirds of the totality of cases for the year 2009. From information drawn in the previous sections we would expect that most of the

employees pursuing these cases have abandoned their previous job posts in which they were not receiving sufficient pay and are now trying via the system of control to receive their due pay. This is an additional indication of the prevalence of the phenomenon of illegal employment as it is expected that a dark figure still persists in such cases. Additional types of offences which are observed in the system are benefit frauds, equal opportunities violations – their significance has increased in the national workforce with the increased participation of women, minorities and other social groups – and illegal hours of work that can be still connected with salaries and pay. From the above categorization one can observe a trend in increased conscience in social regulations from the part of the reporting employees even though it can still be filtered through financial terms, salaries and financial compensations.

Graph 7 – Typology of offences in tribunals during 2009:



Insurance-related offences most easily secure conviction because they mainly deal with state related income that provides a foundation to the system of benefits and medical provision. The control of these offences enters the system through the regulatory bodies of the social security offices and since it partly deals with state income, it is the most prevalent of the offences to reach the criminal justice system. When insurance contributions are not getting paid, employers commit a double offence: embezzlement from employees and illegal retention of the contribution from the state and social insurance offices. A lot of businesses end up paying their debts for social insurance contributions by using internal borrowing, which again leads to

problems for their employees. In some severe cases, this can even lead to closure of business and/or unemployment: social Insurance is expensive for employers, especially for smaller units. In the wider pattern of offending behaviour, the evasion of insurance contributions is only a small proportion of offences. There are usually numerous offences committed against the employees of a company found not to be paying contributions, but the debts to social security are the strongest candidates to put forward in order to secure punishment. The difference in importance of investigating and punishing offences relative to employee or state income is evident in the above parameters of official regulations. Valuing financial regulations differently to social regulations is a key tendency in the European legislation (Ponsaers, 2002).

*“.. there is no system of comparison with other financial elements of a company's operation that would allow us to uncover more cases....so if a company is well informed about the loopholes they can easily escape being discovered. ....What I mean is that, the more unemployment gets higher, the more the employees might ignore or even avoid getting insured in order to secure a job post. The priority for them is to be earning some money, even in a status that does not include insurance.....And the employer, on the other hand, will look for people that agree to be employed without being insured....Here there are two main factors. The employees that do not want to contribute and the employers that will deliberately not insure employees. And they do this in order to avoid paying the contributions, of course, that you know are very high. So yes, profit is the main reason....And they do know that they can go for a settlement and buy some time!”*  
[Inspector, Interview 2]

A positive element can be observed in social insurance regulations when it applies to a reporting employee whose case is usually secured. This is, of course, connected to the fact that these offences influence public income as well, so the state is keen on taking drastic measures against the offending employers. On the other hand, employers' payments are facilitated, entrepreneurship is not endangered and when it concerns a larger size employer, favoritism can be found. The system will never jeopardize these companies that employ many people and which contribute a large amount in tax.

*‘..There are also times when the state will intervene and pay the debts of very big companies, very big names. These costs you can understand will burden the whole society. But then there are issues of closure of big companies and unemployment for a lot of people so...this is always a complicated issue..’* [Inspector, Interview 2]

In the field of workplace health and safety, the classic debate has evolved into regulation through individual responsibility. This fact leads to the diffusion of responsibility for safety risks from the employers to the employees. Workers have

become increasingly and individually responsible for enforcing regulations as well as becoming a target of regulation (Gray, 2006).

Knowledge of the reality and technicalities gained from the inspectors interviewed offered an insight into the typology of offences related to health and safety at work in the third sector. In office work, bad use of computers, the air quality, annual medical examinations, and even accidents from falling are issues of concern. In commerce and working in shops or supermarkets, the problems can be long standing as is the denial of rest or legally-required breaks, covering more than one post with a single employee and work related pressure that influences the health of the individual. Accidents and deaths are the most visible occurrences. Accidents are always the one dimension that will always be registered in the relevant statistics as when it occurs the employee will seek the compensation he / she is entitled to and when the employer is liable, the case is sure to reach the criminal courts. The other offences in this area are more hidden and it is the job of the technical engineer and company nurse/doctor (posts not always covered by all companies, especially the small and medium sized ones) to discover them in the first place. Then again, these offences are more specific and evident, more measurable and clear, thus are easily identified, compared to other social regulations.

An inspector knows and can measure illegalities in Health and Safety but people, even educated employees, often cannot tell when violations are taking place, or don't think of them as important. The ability and education of employees to be able to recognize their own victimization is vital concerning safety offences. They are more specific and evident, they are difficult to hide and the anonymity of the reporting employee can easily be secured. There is currently a rise in employee consciousness about these issues that has led to raised reporting and prosecution levels.

Work environments with low unionization and no actual class oriented pressure, safety provisions (health and safety technician and medical doctor) are usually violated. In order to qualify as legal, many employers will pay off a local doctor for his signature on the relevant documentation the ministry needs to claim they have employed someone. Still, the new pieces of legislation concerning health and safety issues are slowly imposed on employers; they are given time to adjust, provide training courses and certificates and thus they are assisted to comply rather than face control or prosecution. The ministry has issued guidelines distinguishing



companies into three different types according to a health and safety assessment, identifying high risk, medium and low risk companies. Most small and medium risk companies have yet to comply with this legislation.

Most of the workforce, especially in third sector companies, are unaware of the relevant technicalities of the legislation over safety issues and rights (eg. annual muscle and bone system and eyesight examinations). If there was enough information people would be more aware and apt to acknowledge and report illegalities. There are currently seminars taking place in the Institute of Health and Safety and Employment Inspection Unit in order to pass this knowledge on but their frequency and capacity is limited.

*“.. And I have to note that during the last few years many more offences have been reported. And this does not have to do with things deteriorating in the workplace but with health and safety issues being more known to employees...” [Inspector, Interview 12]*

All the above examples can be considered as the most typical cases to reach the system of control, the most frequent cases to enter the system and the most important ones according to the significance given to them from the reporting employees. Their actual significance in terms of the system though is firmly embedded into the legislation. The offences lead to flexibility and deregulation. The re-shaping of the legislation under EU influence and in order to combat the current national fiscal crisis reinforces this. After the Maastricht Treaty and currently in an effort to manage Greece's debt, common decisions have been made regarding issues of social security, health and safety at work, and issues of representation and participation (Koukiadis, 1997). In this framework, illegality contains the impetus toward decriminalisation which can shape a new form of legality.

### **The system of control: The nature of punishment for offenders**

In this section a general illustration of the regulatory system for employment offences is presented. This entails inspections, action taken against the offenders, resolution of cases and the problems the authorities are facing in their effort to control and punish. An overview of the current system and its general character can be summarized in the words of one of the participant inspectors, as follows:

*‘..The demands of the claimant are met, most of the times. And this is what normally happens. There is rarely a further sanction, criminal or anything. And the employees do not pursue this. And it is logical. The claimant wants to get the money he deserves and anything further would mean that he would not be able to get a new job. ....And yes, there is not a proper, strict climate surrounding such deviance. It seems in a way natural for a business to commit those offences because it is in its interests. And regulation works with the notion of correcting the situation and not putting any stigma on such actions. The only case that is considered more serious and will usually include financial fines is the case of offences of the social insurance regulations.....it has to do with state income, you see..” [Inspector, Interview 12]*

### The organizational development of the regulatory bodies

The inspectors’ units were created in the west during the mid-19<sup>th</sup> century. Factories inspectorates, mines inspectorates, health and sanitation boards, liquor licensing boards, food inspectorates and many others were established. Unlike police forces, these regulatory institutions started out rather punitive, making heavy use of criminal punishment (Braithwaite, 2003). In Greece, ‘The Employment Inspection Unit’ was established in 1999 by the Ministry of Employment and Social Security. Its main function is to oversee the application of employment legislation and has powers to investigate cases 24 hours a day. Its branches can be found throughout the country and inspectors are available daily on the relevant hotline for reporting illegalities. The Social Security Offices have their own unit for inspection and criminal prosecution that only deals with cases of evasion of social insurance contributions and medical cover ([www.ypakp.gr](http://www.ypakp.gr)).

It is worthwhile mentioning that the first ever regulatory laws and bodies in Greece over employment issues were established by Prime Minister E. Venizelos in 1912 with the founding of the Service for Social Welfare and Special unit for Employment Inspection (SEPE, 2010). The Employment Inspection Unit (SEPE) was established in 1999 with the law N2639/98 and today it includes 96 units of social inspection at national level and 52 units for technical and safety inspections at national level.

The modernization of the unit has been advanced in 2010. There have been improvements regarding staffing and the education of staff, the modernization and development of all IT technology (including permanent format of database and recording / measurement purposes) and the simplification of procedures to make reporting easier and resolution faster. New targets concern the dangerousness and

deviance of each sector, promotion of more health and safety awareness through dissemination of information and co-ordination with European models (SEPE, 2010).

In technical terms, these organizational problems can only enhance the problem of offending. The low amount of employment inspectors (400 inspectors for around 900,000 businesses) and the low amount of penalties in numbers and severity, the lack of real communication and co-operation of the relevant authorities and the increased insecurity of employees to report offences, the costly and lengthy justice procedures (cases can even take up to 5 years to be resolved) are all factors that help in the continuation of current employment offences in Greece (INE, 2009).

### The regulatory approach to business offending

During the late 1960s and in the 1970s, a public interest movement and civil activism resulted in white-collar crime issues starting to be brought to light. Ralph Nader is generally acknowledged as the founder of the consumer rights movement. In the years since he became involved, he has been a central figure to revelations of a wide range of unethical and illegal business practices. Social scientists and academic scholars have also played a part in exposing these types of offences as has expose journalism (Jordan, 2003).

Since then, a number of approaches have been developed to deal with business offences that have been influenced by a variety of legislative, policy and research trends. The main debate in the regulatory approach on all white collar crimes, especially those of companies, concerns the issue of 'punishment versus compliance': is it more effective to seek business cooperation with the law or to adopt a stricter attitude to those that violate it? (Bradley, 1999). Proactive measures have emerged in recent years as an alternative and supplementary approach to controlling corporate deviance – and Braithwaite's (1993) enforced self-regulation is one of them. One of the chief responsibilities of this type of control is to ensure the vigilance and independence of the internal monitoring body. The idea is that businesses can be forced to set up an internal monitoring agency, or one funded by business, via negative publicity and consumer activism (Gerber, 1990). In relevant Greek literature, relevant legislation regulating the banking sector was found inadequate and included a number of loopholes. The ombudsman established in 1999 has no actual authority

and mainly regulates minor disputes and commercial advertising. Through an initiative of the Union of Hellenic Banks, an enterprise of Banking Legislation has been founded which is fully controlled by the banks (Psychomains, 2006).

The way in which the state deals with conventional and white collar crime is very different. Deterrence and rehabilitation are two further principles underlying a more effective regulatory strategy. Connected to the previous debate, the question here is if it is better to give time and rewards to offending businesses for adjusting to legislation or to punish and deter them from offending with severe sanctions. Lofquist (1993) has also considered the potential of corporate probation as a form of rehabilitative and interventionist sanction (Sporkin, 1997).

The weak deterrent effect of severe punishment has been further examined. This is overestimated as it has been found to deter mainly minor offences. Ethical orientations are more important. The severity of the penalty is only of relative importance. It usually increases awareness of the public and the general population of what is criminal (Bussman, 2003). In the UK, compliance is conceptualized as the negotiated outcome of the regulatory encounter. This leads to reactive decision making in which the enforcer becomes the predominant driver. This poses important challenges for the successful implementation of enforced self-regulation (Fairman and Yapp, 2005). The results of Murphy and Harris (2007) provide some support to the idea that shaming and social disapproval can lead to lower re-offending, while the opposite (stigmatization) leads to higher re-offending. Finally, Braithwaite has proposed a pyramid of corporate crime regulations beginning with self-regulation and finishing with criminalization and prosecution (Pearce and Tombs, 1998).

Academic criminology can no longer monopolise the criminological discourse due to the centrality, emotiveness and political salience of crime issues today. Sir Leon Radzinowicz says, 'In the field of criminal justice, despite the input of criminological knowledge, a populist political approach holds way..' (p.469). He was the first to notice this development. There has been a lot of commentary about 'populist punitiveness' ever since Tony Bottoms coined the term a few years ago (Bottoms et al, 1995). A punitive approach to criminal justice sanctions has been identified in Greece (Lambropoulou, 2005) which does not stay exactly the same for business offending. Employment offences are mainly part of the Criminal Law even though administrative cases can be found (Koukiades, 2009). And this was the case of the previous legislative framework, before the re-structuring stemming from the crisis as

it was still characterised by the values of the social security of industrial production. Nowadays, the deregulation, flexibility and blurred definitions of legality and illegality contribute to a less punitive approach to business deviance and illustrate the legislation and system of regulations as 'performative' (MacKenzie and Green, 2008) since they do create a grey area where illegality can be sustained outside the formal regulations system.

### The formal system of control: Procedure and developments

At this point the actual procedures of the regulatory system are going to be illustrated with an attempt to highlight problematic issues and developmental suggestions. Concerning the employees' liaison with the state authorities, the procedure after reporting continues with the relevant inspections. Concerning the implementation of controls and inspections, there is a distinction between regular and special inspections. Special ones are made after receiving complaints or there has been a specific discovery. When an offence is found, charges will be brought, unless payments are made there and then. Inspectors will normally decide on the spot which offences are being committed in each case, and ascribe a fee or fines for those offences accordingly. The most serious case for an employer would be to get a criminal prosecution. This happens in the case of delayed payment of contributions and according to legal code A.N. 86/86. The sentence for this is imprisonment from 3 to 6 months, which can be paid for in lieu at the rate of 30 euros per day. In order to avoid ending up in court, employers have to pay off their debts before the date of their court appearance. Additionally, there are other sentences that can even lead to confiscation of products or real estate and closure of business.

*'..When an employee finishes with a job, they will go to our local branch to receive their insurance documentation. If they find out that things are not how they should be, in the branch they will find the specific form to fill in and make a formal complaint. The employee will always get the insurance contributions he is entitled to. And we also investigate if the claim, the complaint is true – you never know if they are lying or not. The second case is when someone is still working in a certain company and makes an anonymous complaint. So with the address of the business and the time schedule we will go to the premises and make an inspection. When we gather the information we need and reach a decision, we will then inform the local branch of the outcome and then the employee can get what he is due in contributions..' [Inspector, Interview 3]*

Another popular method to pursue cases for employees is to attract media attention to their cases and let the whole society know about the offending behaviour of their

employers. However, this method has its own limitations. The media are mainly interested in the exceptional, grave and scarce cases, rather than the common ones which are important but less dramatic. The assistance of the media is normally sought and employers take this possibility into consideration, but the commonality of offences being seen as petty does not help this sort of resolution. Media gravely distorts public knowledge on crime and thus increases fear of crime (Lea and Young, 1993).

*'....There was a 10 week strike in PP inc., and they were successful in making the owners re-employ people, the same happened after the PX casino strike....the public does not know of issues like that, the media will not air it. This is not helpful and sometimes it can also have negative effects...' [Unionist, Interview 29]*

Numerous studies show that both news and entertainment present a distorted view of crime. This includes the over-exaggeration of violent crime and a corresponding under-representation of business crime. From a study of nightly news coverage of business crime between 1970-2000, it was clear that corporate offences have received comparatively little attention. The gap between the two types of crime and their respective airtime has been declining over the years. The main reasons for this gap is that business crime is not as exciting, doesn't attract viewers, doesn't resonate with the conventional crime imaginary, is not perceived as a form of serious crime by viewers, companies are often visibly involved in local or national altruism, and of course corporate sponsors pay media bills (Maguire, 2002).

In this framework, for any white collar criminality incident to attract media attention, the need for a moral panic is essential. The following are important factors that contribute to an issue becoming a moral panic: the lack of technological understanding, especially as regards the law enforcement agencies, legislators and the media, comprehensive official control of an issue, lack of media access, the invisibility of the problem and pre-emption by other causes and interest groups (Jenkins & Braithwaite, 1993). Especially in the case of fraud, the key actors in power will attempt normalization strategies in order to manage the problem and avoid evoking too many fears and social prejudices that stoke moral panics and generate counterproductive regulations and prosecutions (Levi, 2009). The natural character of corporate crime - the way in which social harms, economic exploitation and environmental destruction are built into everyday life, as a normal feature of how we produce and consume - makes it even more difficult to challenge (White, 2008).

*“.. This indeed is an important weapon in our hands. And when such cases reach the media, employers will be sanctioned by the public, the readers and the viewers, via decrease in sales..’ [Unionist, Interview 38]*

The state and relevant authorities are interested in discovering more crime but are equally interested not to pose harm to the business environment and business growth. It will facilitate employers with their fines and will be more interested in increasing public income than putting stigma on offending employers and their behaviours. This clearly shows the unwillingness of the state to ‘criminalize’ deviant business. Public shaming or harsh penalties do not exist for offending employers – even though these elements do occur in the workplace for the employees who dare to claim their rights as far as the reaction of the employers is concerned via the informality and intercommunication of employers and the relevant stigma attached to reporting employees.

The following is what normally occurs in court cases, explained by union members who participate in case resolutions. Employers will always stand up for their rights and their case but there are examples where a settlement will be offered (in court). They will try to interpret the collective contract in their interest; will claim they had to alter working hours and days because otherwise they could go bankrupt. The final outcome is not adverse enough to cause a serious change in employers’ offending behaviour and compliance doesn’t last long after detection.

Problems in the procedure of inspection and detection of crime and its control have been noted. The procedure is difficult and lengthy and the authorities are too understaffed to deal with all reported cases within a brief timeframe. The legislation is created in a way that poses problems in the process of control. In order to ask for inspections to be carried out, the employment inspection unit must be notified by employees or unions. The unit can sometimes carry out inspections on its own initiative but they have a small number of inspectors for such a vast number of businesses. Additionally, if there is a request for them to check if overtime is worked in an illegal way, the inspector has to work overtime in order to be able to verify this and be present for an inspection at late hours. The difficulty of investigating, the lack of measurable comparisons within companies and the fact that employers are aware of the existing loopholes in legislation, makes control and discovery of offences difficult. These are the main problems that concern the relevant authorities. Falsified documentation and employees covering up for their employers in fear of losing their job are another known problem that state authorities have not been able to correct.

Referring to more organizational issues on matters of control, the lack of personnel necessary to be able to spend more time on the field and make better controls is another problem that needs resolution, as well as the need for specialized inspectors for each sector and a solution for the significant issue of how to access illegal markets and discover part of the dark figure.

Further issues and suggestions have been made – mainly by the collectivity of trade unions- for the improvement and simplification of the system of tribunals. They are asking for improvement in the way tribunals are conducted and especially with reference to the timeframe each case needs in order to be resolved via tribunal. The importance of the procedure is enormous since it is the most common and fair method for employment offences to be resolved. Thus, the system should become faster in order to accommodate as many cases as possible, since the financial compensation normally given to employees after the cases are discussed directly affects the welfare of the employees and their families. The law (N 1545/1985) states that the day of hearing should not be set later than in the following 15 days and that the decision should be published within a month of the hearing. This is normally subject to delays due to the overloads of the system or other delays mainly posed by employers. Finally, the last petition is for the confirmation of police arrest for every case when payment of social insurance contributions is delayed. The law defines this right but it is rarely used by the authorities. The generalization of this measure will contribute significantly to the compliance of employers with the law and respect for the authority of the social security offices (GSEE legal publications, No, 27).

### Penalties and Sanctions for offending business

Criminal sanctions seem appropriate for offences that involve additional harm and not simply the redistribution or misappropriation of wealth (Booth, 2008). A punitive policing strategy is desirable and practicable but it will be resisted by capital and allies. It can only be enforced on corporations by other social groupings, like workforces, local communities and consumers (Pearce and Tombs, 1990). But further research has identified problems with punitiveness: The ‘regulator-as-policeman’ strategy has been put to practice and produced measurable results due to rigidity/ legalism and bureaucratization that can generate ‘regulatory unreasonableness’ (Pearce and Tombs, 1991). Regulation must be de-centered from



the state (Black, 2002) and extended to various non-state bodies within the economic sphere, operating through market based relationships and through civil society (Tombs and Whyte, 2010). But, while business can be forced to internalize some of the regulatory techniques, this will not happen without the empowering of regulatory agencies and different groups within civil society (Pearce and Tombs, 1991). Finally, for any analysis on business regulation to be complete, the nature of the political system, economy and society and their interrelationship are very important and we cannot only rely on a limited understanding and analysis of regulations and policies/legislations without the wider connections (Pearce and Tombs, 1991).

In most countries, fines are the predominant form of punishment, with institutionalization reserved for serious offences. Fines provide compensation for victims and restore the *status quo ante*. The argument made against them is that they are immoral because they permit offences to be bought for a price the same way goods are bought (Becker, 1968). There is no doubt that fines, both in the UK and the US, remain small and it is known that larger corporations see such criminal sanctions as useful (they often manage to avoid them, or the actual cost is low) (Pearce and Tombs, 1998).

The most prevalent sanctions for offending businesses in Greece are normally financial fines, in some cases not even serious ones. The law favours employers rather than employee rights. Since 1992 the legislation has been gradually changing, leaning towards the interests of employers (SEPE, 2010). There are facilitations for making late payments. This is normally done by allowing payment in anything up to 36 installments that can sometimes rise to 48. The authorities are definitely more interested in receiving the amounts due than putting people behind bars. Sometimes reality for business is difficult and they always have to try to accommodate all the relevant interests. But if the company is under the ownership of one person, he will have negative effects from this. They won't be able to set up a new business or get a personal loan. If a company is well informed about the loopholes they can easily escape discovery. And even if they are prosecuted they can also be "rewarded" with many installments to pay their due, and the added fine is normally minimal. Offending employers will be offered to set up installments or pay in full what they are due. In the cases where this does not happen there will be further action against them. The need of the annual certificate from the social security offices – needed in any case of loans or contracts – will make employers comply and pay their fines.

It is also worth noting that, once an employment tribunal application proceeds, an applicant is less likely to be successful at a tribunal if the employer with whom they are in dispute has written procedures in place. Discrimination cases are potentially the most complex case types and such complexity is borne out in the costs and time spent by applicants and employers. For employers, such cases result in more members of staff being deployed on the case and more overall time spent (Hayward and Peters, 2004).

### Regulatory Issues regarding the third sector

Before presenting data relevant to the sector's specific regulatory dimensions, it is interesting to refer to the role of size in regulations as national and international research has identified this is significant for detection and prosecution. Size in this case has been highly connected with the visibility of offending behavior.

*'..The industry produces a measurable product but the services do not .....Small and large business are almost the same regarding their levels of offending. Smaller companies are more invisible, of course, so not as easily inspected..' [Inspector, Interview 12]*

It has been argued that structural advantages benefit many offenders, especially large business, and that these are compounded at each regulatory stage. The small business is more vulnerable to detection and prosecution and more readily seen as blameworthy compared to larger businesses. The large companies can employ legal and scientific advisers to avoid offending and have the resources to make necessary improvements (Croall, 1993).

Within the financial sector, investigations and controls normally occur after someone has reported an offence to the union or the authorities. There is never enough inspection staff to cover everything and the employees themselves are unwilling to cooperate or do not react to offences occurring in their workplace, which further limits the regulatory system. Employees pursuing their rights in the banking sector can help, if one knows how to do it and have all the necessary proof. The banks are afraid of the power of their workforce and since they are powerful actors in society and do not need negative attention from the media. This can influence their profile, their customers and thus their organization's income.

*“Yes (the authorities can help). If you search your case and go well prepared, if something has happened, they will piss their pants. It is difficult in our sector for your employers to deny you your rights. It is not like elsewhere, like in a shop, where the employer can ignore you and say “whatever you want to do just do, but I am not going to pay you”. In a bank they don’t have the ability to do this because they employ thousands of people. If they do it, it will become known and they cannot ignore the power that thousands of people have...” [Employee, Interview 18]*

Regarding the sector of commerce, the authorities concentrate on the best interests of the reporting employees but the relationship of employers and state actors, especially local state actors is important since it can promote a climate of corruption. When this does not occur, the authorities are always perceived as being focused on the best interest of the employees who approach them. This belief stems from information they can observe in their workplace, as in the following case that occurred in a large super market chain. In the sector of commerce many employees will and many will not trust the authorities, but what they have in common is the knowledge of the stigma risked by the employee who approaches the authorities that will probably result in their dismissal.

*“...I have observed and find it a little strange that whenever an inspector comes, our managers are always in an hour earlier and trying to improve things, correct them. This seems like they might already know that an inspection is about to happen. Maybe they communicate with them...” [Employee, Interview 19]*

The above regulatory reality for the third sector financial and commercial services highlight one more time the significant role of the state as it is permeated through the function of the regulatory system and links with issues of power and relations within the system of control. More in specific, it concerns the corrupt relations of state officials and the offending businesses. The discussion of issues of corruption and state corporate crimes and their role in controlling and prosecuting deviance is presented in the next section.

### The role of the State as facilitator of deviance: Corruption in the system of control

The issue of co-operation of business with the local inspectors entails issues of corruption in the system of public control over business. Corruption is an issue of white collar crime particularly pervasive in Greece, thus, has attracted much research interest (Statheas, 2000; Koutsoukis, 2000). It is apparent that it plays an important part in the shaping of regulators and offenders, national state and business.

Loopholes exist for employers to evade the law and the existence of corruption can assist in this as well. The lack of collectivity and successful unionization are other important factors. State corruption normally includes the seven characteristics researched by Susan Shapiro in her typology of abuse of trust crimes: lying, misinterpretation, stealing, misappropriation, self-dealing, corruption and role conflict (in Brightman, 2009:48). Issues of nepotism can sometimes be interlaced with other offences such as waste, fraud and abuse. Sometimes even national security is put at risk. Jay Albanese (1995) has defined bribery as the voluntary giving or receiving of anything of value in corrupt payment of an official act, with the intent to influence the action of a public official. President Carter tried to establish policies to alleviate corruption but his positive influence was diminished by the subsequent Reagan administration (Brightman, 2009).

*'...And there is a tendency of employers to evade; it is expensive for them to insure everyone. And with the system always providing alternatives and never a serious sentence, it does facilitate the notion that is not a real crime or that you wont get in serious trouble if you do it..' [Inspector, Interview 10]*

*".. it is a general tendency for employers to evade contributions when they have the opportunity and there is at the same time talk about corruption that further undermines the inspections that are being carried out.." [Inspector, Interview 9]*

Observations on corruption lead to a discussion of the role of the state in such phenomena, not only as regulator but as facilitator of deviance. This comes in accordance to modern theories of state crimes and state corporate crimes. The notion of state crime is part of organisational deviance. It occurs when organisations in both private and public sector both pursue goals that result in crime. These crimes are committed by individuals that abuse their state power/authority or who fail to exercise it when working with people and organisations in the private sector. In many cases it is used to describe further state actions that are used domestically and internationally, that are socially injurious but not defined by the state as criminal (Ross, 2003). Thus, this illegal co-operation of state and capital for financial gain and power is usually divided in State initiated and state facilitated business crime. Catalysts for illegalities in these cases are organisational motivation or goals, opportunity, and social control (Matthews and Kauzlarich, 2000).

In the case of the Greek state as a regulator of business crime, the regulatory system has the responsibility for diffusion of labour ideology and interests but bureaucratisation/ corruption neutralises this. Bureaucraticism represents a

hierarchical organisation of the state by means of delegating power. As a social force, this certainly possesses its own particular role: namely to support these forms of state, by means of the bureaucraticism which characterises its general legitimacy. It is a specific social category because of the specific unity presented in its functioning as a social group and its relative autonomy from the social classes (Poulantzas, 1976). This system only controls the phenomenon but does not offer a successful solution. Since the state promotes entrepreneurship, it has already taken a stance in class struggle. Also, the role of the state itself can be deviant, as shown from my own and previous research. The state can be found to collaborate in deviance with companies partly owned by the state, through corruption of public officials and, of course, by the relevant legislation it produces.

Class contradictions are also inscribed within the state through internal divisions of the state personnel in the broad sense of the term. These personnel constitute a social category with a characteristic unity that results from the organisation and relative autonomy of the state. Nevertheless it is not a social group existing alongside or above classes, but has a class place and is therefore internally divided. This class place is distinct from the class origin of the state personnel; it refers to the position of the personnel in the social division of labour, as it crystallises in the state framework (Poulantzas, 1978). Additionally, the role of the state is to maintain the unity and cohesion of a social formation by concentrating and reinforcing class domination and in this way reproducing social relations, ie, class relations. Social classes and their reproduction only exist by way of the relationship linking them to state and economic apparatuses (Poulantzas, 1974). In this view, Greek citizens see the public sector and its organisations as a group with its own interests. People distrust the authorities and existing corruption only reinforces this. The above conclusions give rise to imbalances and deviant behaviour continues and remains unpunished.

*“.... We always knew that when the store was all ready and clean and everything, an inspection was going to take place. ..They would tell us “please do this and this and that, because the inspectors are coming today”. And we had to correct any illegalities in our programme of work, hours, names, duties etc...Especially if you work under a temporary contract or part-time as we do in supermarkets, most of us, you can't afford to lose the job... . This is the private sector in general, not only for us in commerce and supermarkets...” [Employee, Interview 19]*

*“..an employment inspector will always cover the same area under his jurisdiction. In France, for instance, where I have been and found out myself, this does not happen. They change every year or so and this happens in order to combat corruption....and I am afraid that if someone proposed for this to happen in Greece, the inspectors themselves would turn it down. So, it is also the matter of how these people perceive their own jobs*

*and their duties in the national working population and the society. It's a cultural issue as well...' [Unionist, Interview 16]*

The existence of corruption in the system creates distrust towards the authorities and the regulatory system. According to Marx, Engels and Lenin, members of the state apparatus (bureaucracy) constitute a specific social category – not a class. This means that even though its members belong to different classes they function according to a specific social unity (Blackburn, 1979). The role of officials as serving the interests of the state and not of citizens is a perception that is noticeable when employees refer to employment inspectors and regulatory offices. Cases of corruption of public officials and inspectors are noted by unionists as well. They too have come across such cases and are very aware that it is an element embedded in the system, which is difficult to influence or change.

At this point a serious issue arising is the difficult relationship observed between state officials and union members. They tend to blame each other for the difficulties occurring in the system of control and rarely do they communicate outside the tribunals system. Their own competition over the regulatory system and over funds apportioned to this system creates friction and distrust. This is an extra element that undermines the ability of the system to function properly and combat deviance. The complex relationship between the state and regulators, unions and employers in Greece lends itself to explanation on the basis of a 'neo-corporatist' approach. This refers to the ability of a government to negotiate sustainable bargains (Featherstone, 2008).

*'...Every business can have a committee to consult on health and safety issues, and this is what the legislation mentions. This issue has been sabotaged a lot by the unions. They want to keep this for themselves, and I have to sadly mention that the main reason is financial gain..' [Inspector, Interview 13]*

*'..The main problem is the lack of unionization, I think. The inspectors need all the help they can get from unions. On the other hand, in Greece, we have a very specific role for the unions.....in a way, they want to be on their own in how they handle certain issues...' [Inspector, Interview 13]*

## **Official regulatory statistics and the extent of crime**

In this section the presentation of findings concerning the extent and rates of crimes in numeric, statistical form will follow. This section deals with issues of extent and the structure of the system of control, involvement with the criminal justice system and the relevant imbalances found within it. The analysis is based on a thematic approach and qualitative and quantitative information are interlinked into the argument. In a qualitative study, quantitative elements can have a complementary but not secondary role as they can produce additional primary data, offer a critical insight, reinforce and validate or contradict arguments, identify gaps or assist in data presentation (Lazos, 1998). The statistical analysis is based on the available measurements of the regulatory bodies and refer to the decade 2000 – 2009. The existing statistics, concerning issues on application of the above laws have only recently been reliably recorded (1999 – 2010), a fact that poses a limitation to the investigation of the phenomenon in the depth of time.

### The political nature of official statistics – comparing the rates of conventional and business offending.

High crime rates are a normal social fact. So too is the limited effectiveness of the criminal justice system. These are the structural conditions of late modernity (Garland, 1999). The explanation for the shift in the logic of crime control needs to look as much at changes in the forms of criminal behaviour itself, organised along increasingly complex lines with the relevant criminal actors needing to be understood in the same way as any complex organisation. This notion is making the paradigms characteristic of business regulation increasingly relevant to the overall crime management (Van Krieken, 2008, Von Lampe, 2009). Thus, it is important to look at the regulatory system for business crimes as it deals with control and measurement of business crime rates and draw relevant comparisons with conventional crimes.

The nature of statistics usually reflects perceptions of hard facts. But both the interpretation and resources available for labeling an act as criminal make a difference to the statistics of crime. Choices and political decision influence statistics. And politics involves a struggle. What is correct is that criminal statistics are a product of class struggle (Lea and Young, 1993). Thus, statistics only look like hard facts and include an unrealistic and political element within them. This counts equally for numbers kept for conventional and white collar crimes. Business offending that is

located in the legal economy and reflects employment matters are usually not included in official crime statistics and numerics are kept separately from different organizations of control. The same is true in Greece. The ideological element of the de-criminalization of the deviance of business as political choice is evident. In Greece, there has been no criminalization of white-collar and business offences (except corruption and social insurance tax evasion) until very recently as they were always considered civil violations (Ioannou, 2002). However, within the definition of commonly dangerous crimes in the criminal law, there was an element of company liability in crimes of concurrence, more related to the industrial sector (Kaifa – Gbandi, 1999). The power the employer has - stemming from the work contract – to make precise arrangements regarding the dimensions of work and the current political debate on enhancing this power, shows that the current state is favouring a non-criminalisation approach (Zerdelis, 1993).

It is for victims and witnesses to perceive acts as instances of victimization. This is the only way to set the system in motion and obviously underreporting only undermines the credibility of the main sources on victimisation rates - police recorded crime statistics published in the annual crime statistics and the annual crime surveys (Goodey, 2005). Problems can arise when referring to economic and white-collar crimes where the terminology is new, and this can influence the measurement of such phenomena or acknowledgement as such from the victims. For example, in cases when the crime does not affect anyone directly, when the crime was committed with agreement of the victim, when it was not observed by the victim and finally when the crime affects an anonymous victim (Dimopoulos, 1988).

Further choices influencing both conventional and business crime statistics deal with alternate sources of data collection to combat the dark figure of criminality. These include self-report studies and victimization surveys. The dark figure has been shown to be considerable and to vary between offences (Lea and Young, 1993). In business crimes many people do not know they have been victimized, thus, victim surveys would not be as valid and helpful. Public awareness and police efficiency and enforcement policies play a part in crime rates. Thus, regulatory bodies, their organizational structures and function and profiles of inspectors and statisticians can and normally do influence the measurement of business offending.

During the year 2005 a total of 3710 sentences were passed on property crimes of the conventional nature (burglary, theft, robbery), according to the annual crime statistics (ESYE, 2005). This number, if compared with the equivalent of business



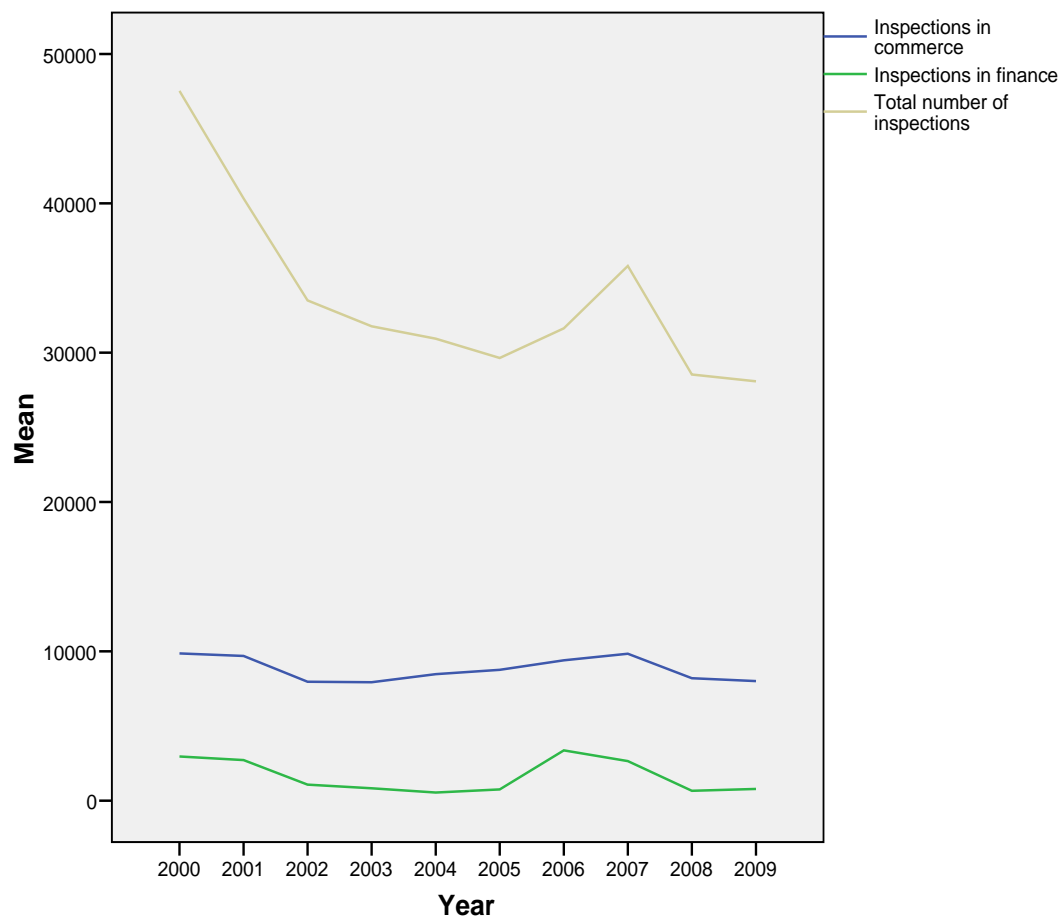
offences for the same year (7551, according to SEPE report of 2005), shows that the rates at which criminals are recorded of having been convicted of profit-motivated crime (financial gain by offences in the legal or illegal sphere) are nearly equivalent even though business offences are obviously the highest rate. Rates of business crimes and conventional profit-motivated crimes seem equally widespread within society, even though mass victimization mainly refers to business crimes. The legal and the illegal economy can be seen as equally criminogenic but only conventional crimes and criminals carry a stigma. At this point, it must be noted that this is just an indication and further research is needed in order to analyse this in depth. Moreover, this can serve as a further indicator towards the relationship of recorded statistics and the function of the criminal justice system rather than a proper sociological analysis of crime.

The justice and regulatory systems can affect the crime rates by recording the levels of crimes, reclassifying acts, and ineffectiveness can make offenders realize a low likelihood of being arrested, and acting prejudiced or biased towards certain groups. The existence of corruption and clientelism, even co-operation of state and business into deviance for power and profits are all important factors, and a part of political and structural influence. All these elements will be included in the following analysis of the rates of employment offences conducted by SMEs in Greece.

#### The extent and rates of business offending in Greece: the widespread character of the phenomenon

The number of types and cases entering the system are largely determined by the reporting behaviour of victims and witnesses. The fact that only a fraction of crime is reported to and recorded by the police means that only a small proportion of offences ever reach the court (Carrabine et al, 2009). The numbers, especially for the years 1999-2001 have three limitations: the implementation of qualitative inspections and controls that are more lengthy and reduce the quantity in inspection units, possible double measurement due to the new system of measurement though IT technology being newly constructed and during 2003-2004 many more quantitative controls in the Olympic Games enterprises and constructions have raised the rates.

Graph 8: Annual rates of inspections of employment offences (2000 – 2009)

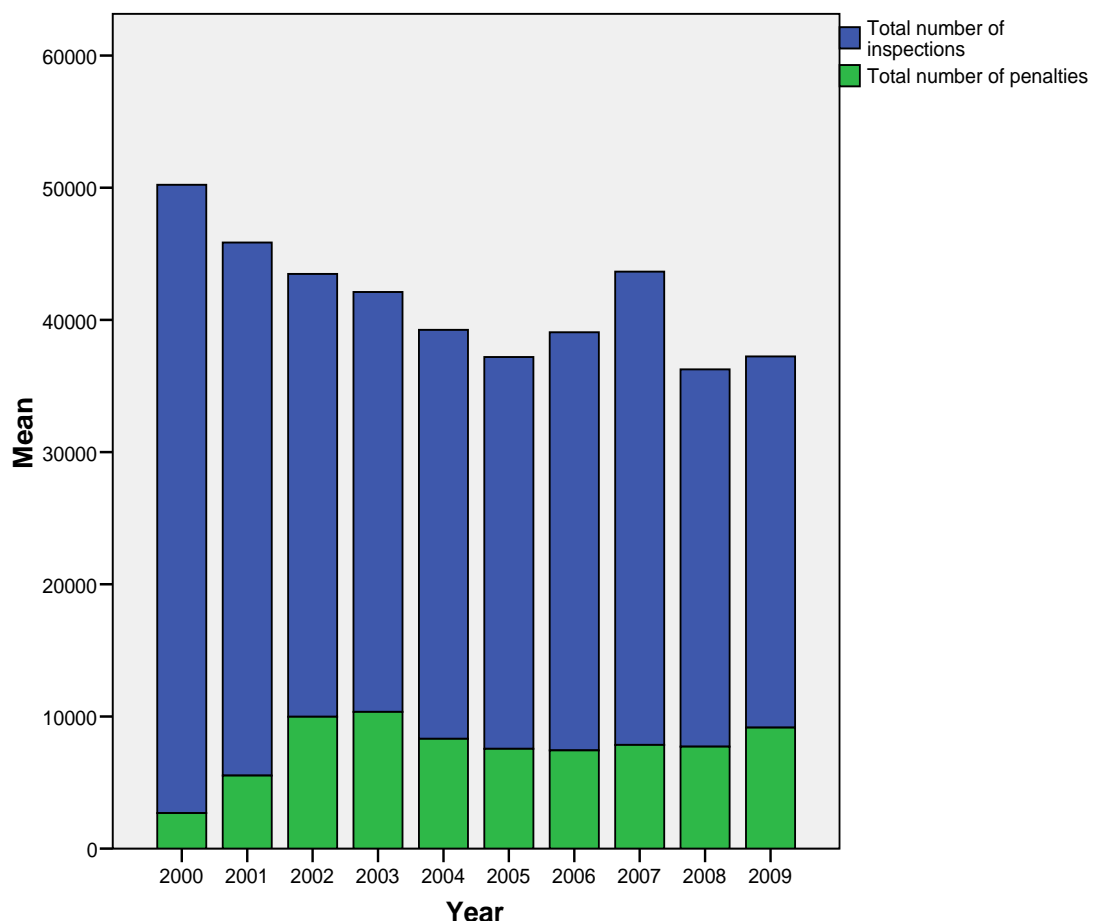


In Graph 8 there are clear observations concerning inspections of employment law in Greece. First of all, there has been a gradual decrease in the total number of inspections carried out in the country. This could be due to two main reasons: either it is an organizational choice or fact, or the employees do not report cases in order for the mechanism to work. The staffing of the authorities plays an important part. During the last decade, there has been a variance in the amount of inspectors available to carry out inspections on a daily basis. In 2001 there were 337 people, in 2004 there were 519 and in 2010 the number was reduced again to 437 (SEPE, 2010). Added to this fact is the growing unemployment rate and insecurity of employees in Greece, which can reduce reporting rates (Manesis, 2003). In a small and medium sized business environment – which is more informal and less visible to the authorities – it can be evident to employers that possible inspections did not occur by chance or routine (Spyropoulos, 1998b).

Comparing the overall amount of inspections during the above time with those in commerce and financial services, the following conclusions can be drawn. The

number of inspections in commercial companies is of a similar annual level and those of financial services are slowly decreasing to minimal levels. These results can be explained by size and power (Joseph, 1989). Either the power of economic actors such as major banks is influential, or their size large enough for crime to be easily detected or there is only a small number of employees facing or reporting illegalities to the authorities. Additionally, when comparing the number of inspections of all three variables, it is obvious that commerce and financial services are only a very small part of the overall total number of inspections being conducted annually in Greece. This means that the sector is either not as criminogenic as others, is less reported as criminal or is more 'favoured' by the authorities. Previously mentioned influences of political choices and the power such organizations have can definitely influence the relevant rates.

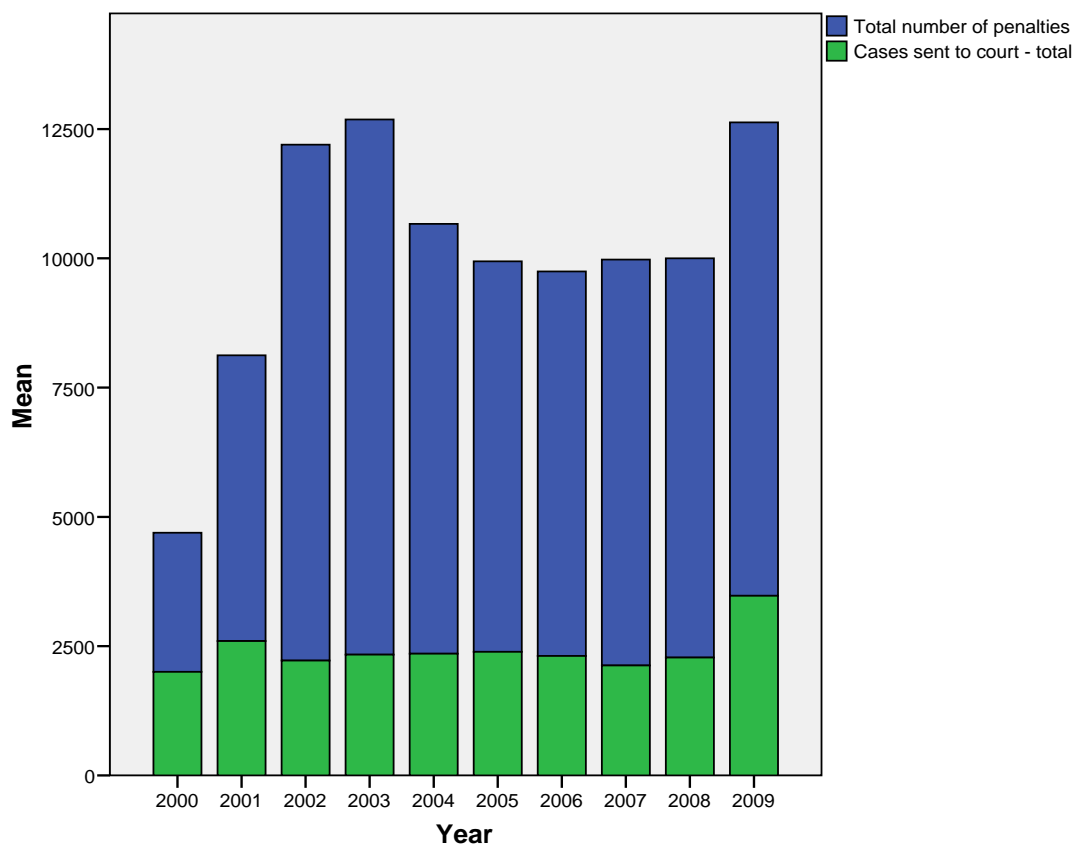
Graph 9: The rates of the totality of penalties over the totality of inspections (2000 – 2009).



It is also important to observe the outcome of the inspections that the relevant public authorities carry out. Graph 9 shows that most of the companies inspected do not

receive any form of official penalty, which means that they are either not found guilty of any offence or that there is a personal settlement between the parties' involved (state, employer, and employee) and the case gets an immediate resolution rather than being forwarded any further. In this case, the employer avoids the stigma and the financial cost of committing an offence. Gradual decreases of inspections over small but gradual increases of penalties over the year is a minimal change and can be due to improvement and change in recording systems or laws.

Graph 10: Total number of businesses receiving a penalty over total number of those that received a penalty from the criminal courts (2000 – 2009).

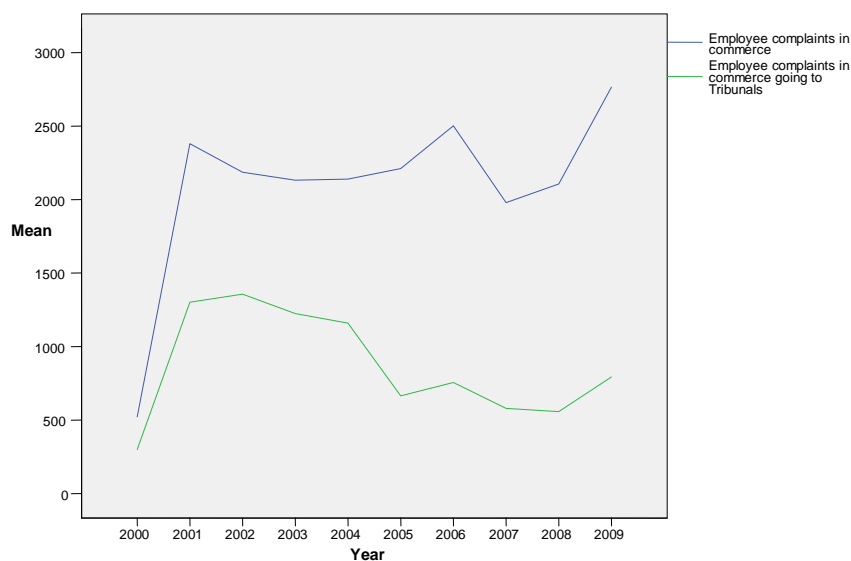


There is another important factor of business crime and its regulatory procedure presented in Graph 10. Out of the above cases that receive some kind of financial penalty from the authorities, only a small number of cases will end up in the criminal court. Moreover, it's another case of problems being resolved quicker and in the early stages. A faster resolution occurs at primary level rather than the final point of criminal prosecution. The above finding supports the overall criminological theory of 'the funnel of criminality' that occurs for white collar as well as conventional crime (Sykes, 1978). The previous two illustrations clearly highlight the low amount of punishment for crime and the general character of the system which is mainly the

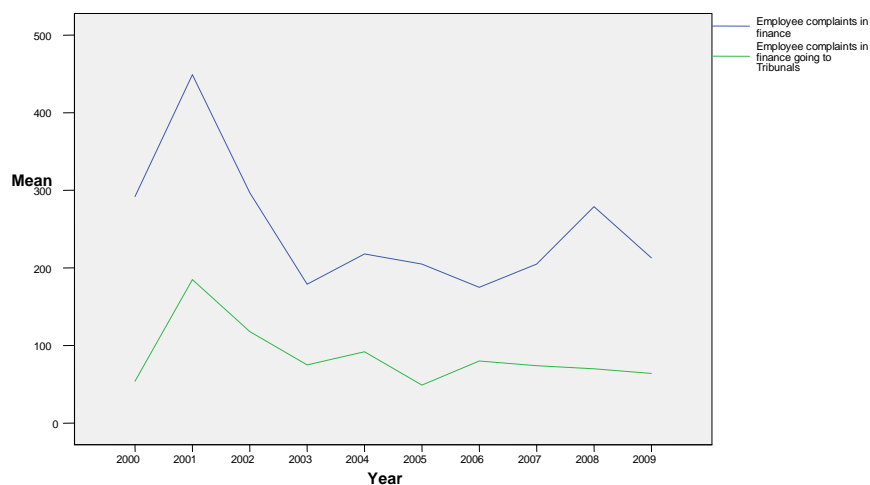
resolution of issues in employment and compliance of employers within the realms of legislation and no actual moral stance over the impact of crime.

In order to analyze the procedure of cases reaching court, the results of commercial and financial companies involved are presented in Graphs 11 and 12.

Graph 11: Employee complaints in the sector of Commerce and how many get resolved in tribunals (2000 – 2009).



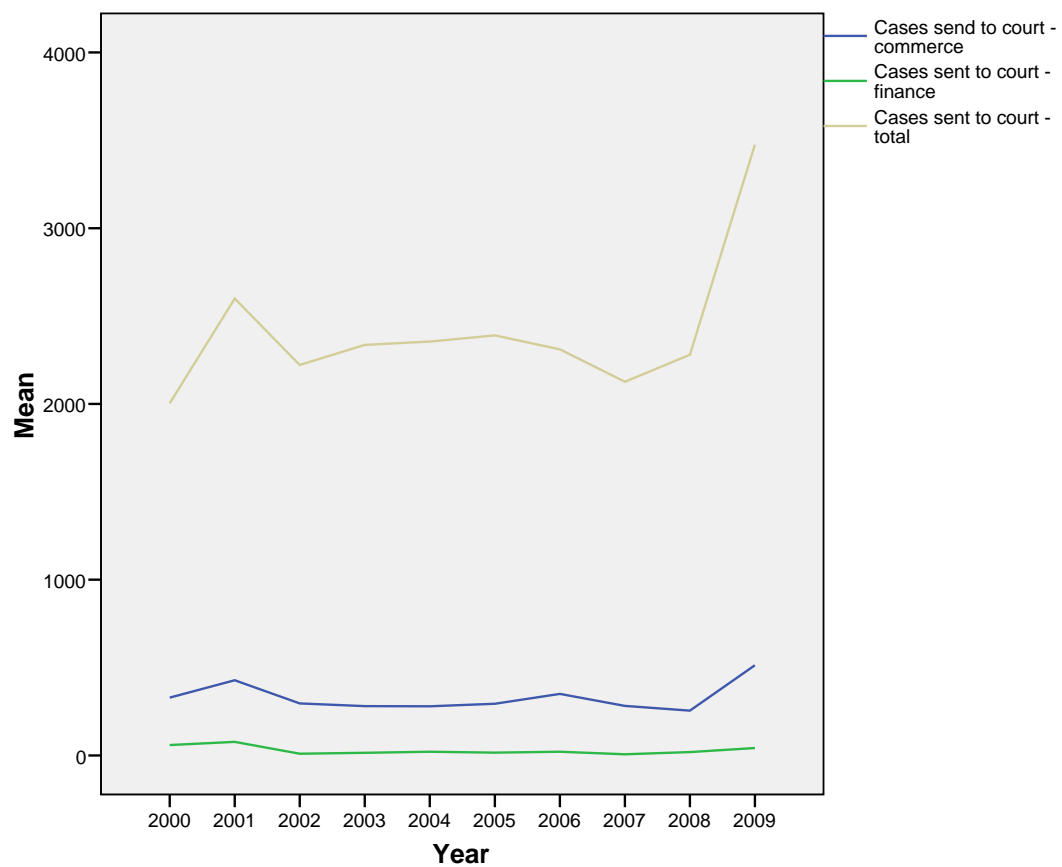
Graph 12: Employee complaints in the financial sector and how many get resolved in tribunals (2000 – 2009).



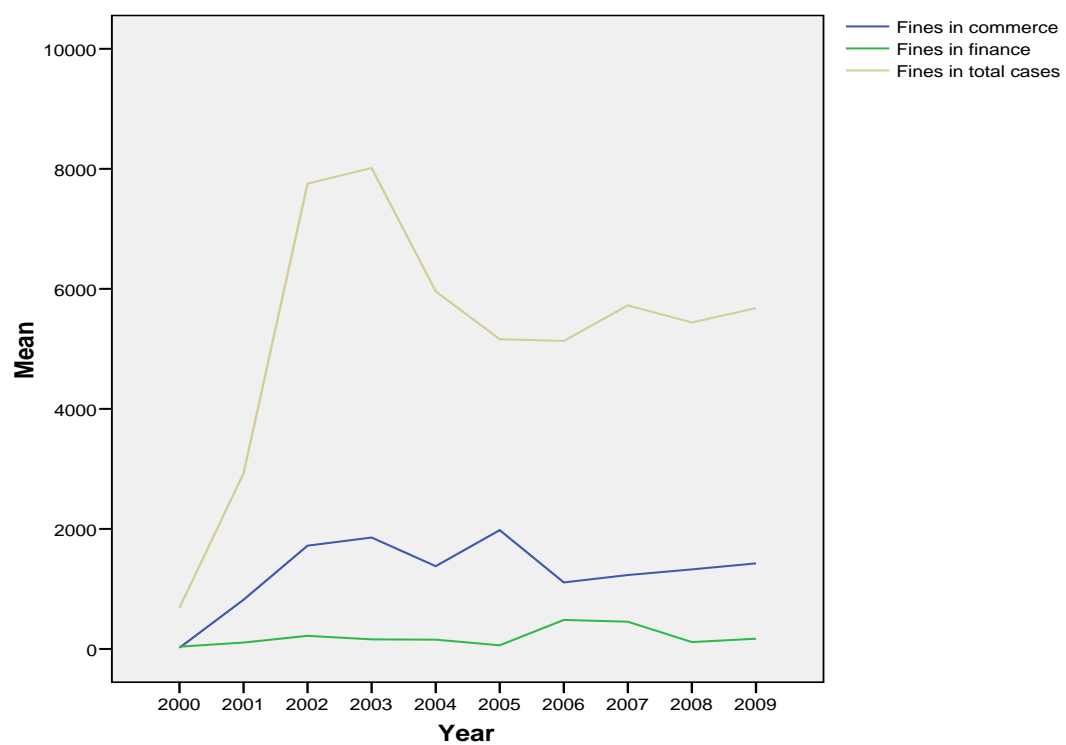
By observing the data presented in the above illustrations, the procedure of what exactly happens to the cases brought forward by employees themselves can be

viewed. First of all, there are a much smaller number of cases that are forwarded to the tribunals system than the number of cases being brought forward by employees, in both commerce and financial services, so the issues are mainly being resolved within the public sector authorities or interpersonally between employee and employer. This makes the procedure and final outcome faster, but it can also mean that employees could be hesitant to pursue cases further, or that many offences are not considered important enough to reach the tribunals system. Another important factor can be the disproportionality of power of the involved parties, especially if the prosecution is not stemming from the state itself. The distribution of cases over the years seems to be in parallel for commerce and for financial services, meaning that almost the same proportion of the cases brought forward end up in court. From the year 2003, in the financial sector, while complaints remain almost steady in number, the cases prosecuted are rising. This can mean that the relevant offences are graver or that financial sector employees are more willing to pursue their cases further – they are mainly highly educated people and they have some of the largest and strongest unions in the country. Tribunals have decreased while complaints have increased from 2005 onwards. The amount seems to be of significant value that corresponds to an actual trend. A tendency to increase reporting rates is evident together with the faster and cheaper resolution within the regulatory offices as well. In the occasions when the unions will be involved in the procedure, cases are very likely to reach a tribunal panel.

Graph 13: Cases of employment law offences sent to court (2000 – 2009)



Graph 14: Fines imposed for employment law offences sent to court (2000 – 2009)



The previous two graphic representations of data summarize the main procedures and outcomes concerning commercial and financial business dealt within the criminal justice system. They also include the outcome of criminal prosecutions. The greater and more evident result coming out of the above data is the low representation of the financial services sector in the data. Financial actors – mainly national and international banking corporations – are rarely brought to the attention of the authorities, given penalties, prosecuted or convicted. The low numbers for this can generally mean one thing: financial actors in Greece are larger scale businesses at the national level and rarely tend to offend, or are so powerful that they can easily escape being targeted and prosecuted (visibility). The cases that do get reported rarely reach criminal court but will be resolved faster within the system. Concerning the commercial sector, the penalties for offences brought into the state's consideration are rising. Nonetheless, the number of these cases that are forwarded to the court system remains almost at the same level every year with a gradual inclination for small rise. The offences in the sector of commerce tend to be more punishable – compared to the offences of the financial services sector – either by the state or the criminal courts. Factors which could be playing an important part are inspection levels, the difference in size and power between the two sectors or the fact that in commerce the offences are more evident and less hidden than in the financial field.

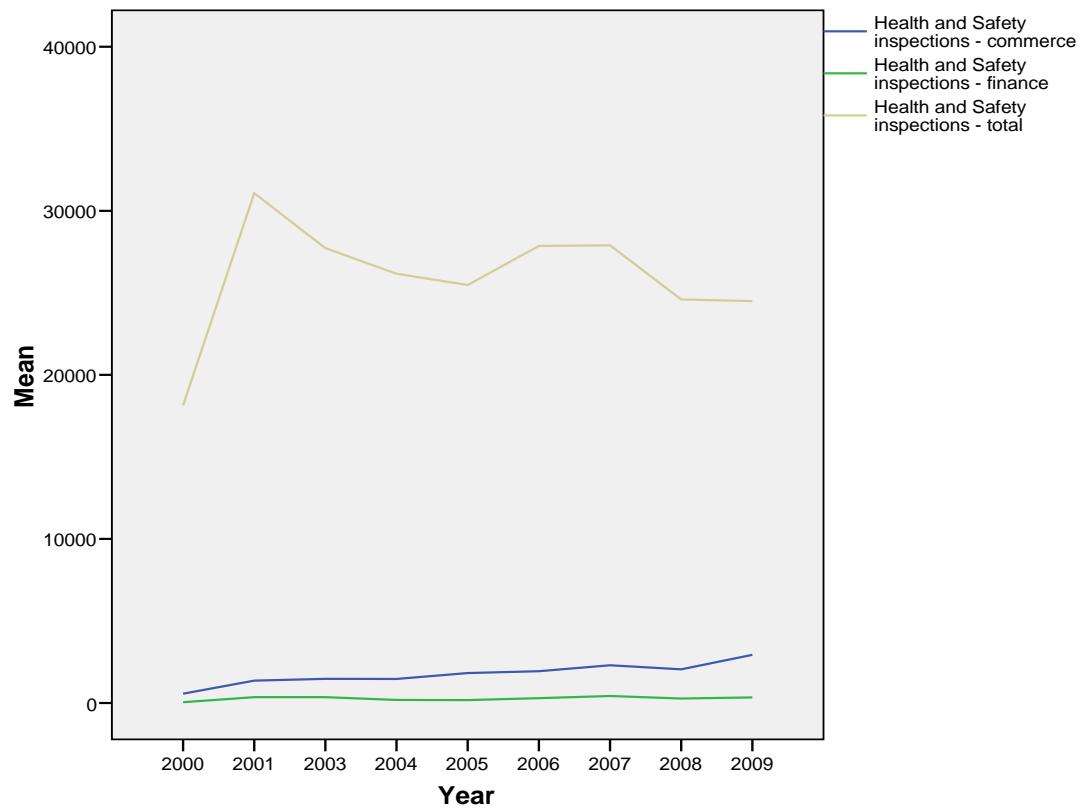
To continue the data that concerns health and safety regulations, which are an important tier of regulations promoted by the state and the EU, are going to be illustrated. Health and Safety regulations, traditionally referring to the industrial sector, have now been applied to the third sector as well (INE, 2001). Individual employers are likely to resist the development of safety regulations on the grounds that it creates unequal conditions of competition. Often, smaller enterprises are less likely to comply, given their relative invisibility to regulators (Pearce and Tombs, 1998).

The next three graphs give the relevant data on the prosecution procedure for businesses concerning health and safety offences. Beginning with inspection levels, even though the overall amount rose through the years, only a minimal proportion occurs in the areas of commerce or financial services. This could be due to greater importance given to the sector of industry, traditionally more criminogenic on issues of safety, lack of reporting of offences, lack of knowledge of the legislation on the part

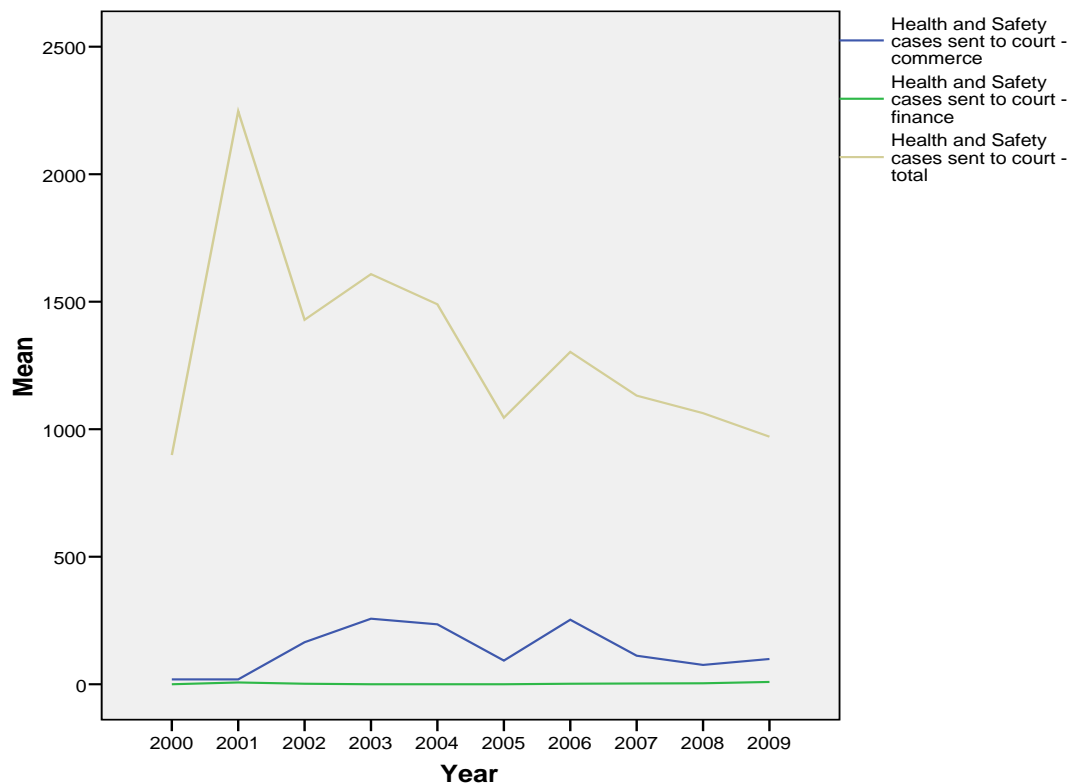


of employees and employers and finally the understaffing of the relevant inspectoral authorities.

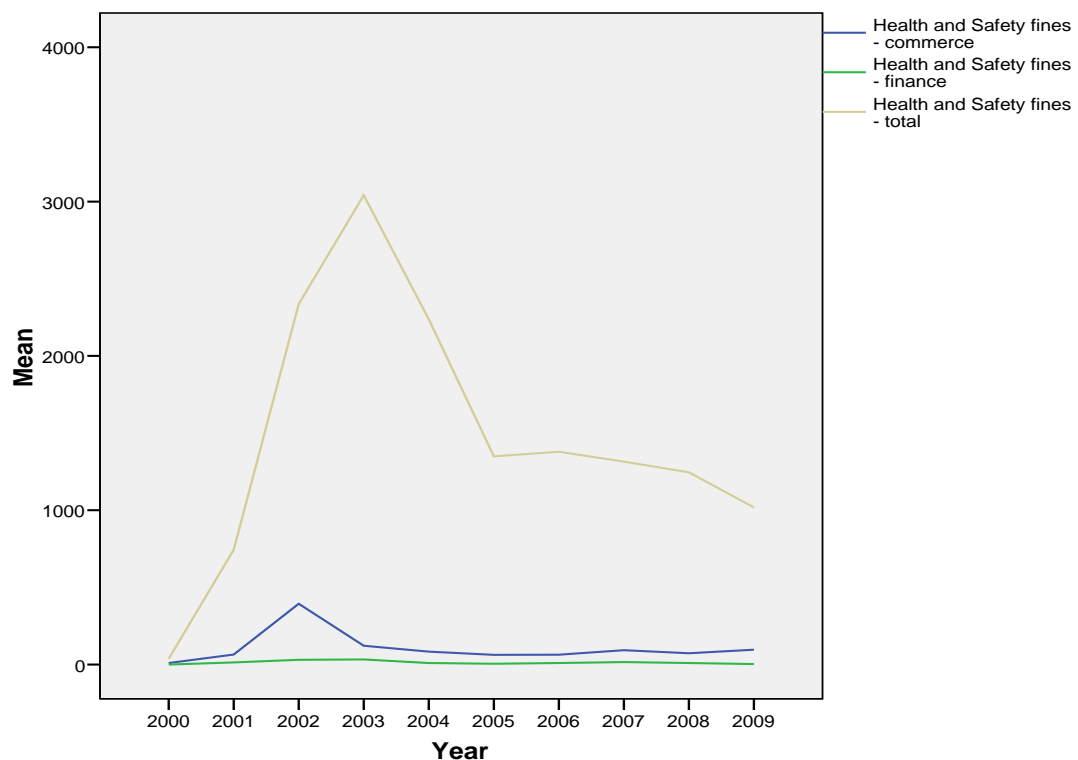
Graph 15: Inspections of businesses over Health and Safety regulations (2000 – 2009).



Graph 16: Cases sent to court over Health and Safety offences (2000 – 2009).



Graph 17: Health and Safety offences sanctioned by the courts (2000 – 2009)



In Graph 16, an interesting change is discernible. Initially, the number of Health and Safety offences sent to court rose and then from the year 2001 gradually fell steadily over the years. Also, financial sector actors are rarely sent to court over Health and

Safety offences but in the sector of commerce the opposite seems to be the case. The number of cases reaching court increased over the years. Compared to Graph 15, it is understood that even though commerce and financial services are rarely inspected, the few cases discovered seem to be important enough to reach the court system, especially Health and Safety offences in the commercial sector. The development of legislation on issues of safety and the EU guidelines on enforcing them is an important explanatory factor (Apostolidou, 2000). State or employers financial compensation is important here, and it is that which increases reporting and prosecuting rates. Issues concerning safety and health are more justifiable, avoid the stigmatization of the reporting employee and the relevant evidence is more clear and solid.

Finally, in Graph 17, the criminal fines imposed over Health and Safety offences are presented. Those are at minimal levels for both sectors under consideration. In the commercial sector alone there is a small rise between 2001- 2003 that does not expand over the years, so it could have occurred due to chance, certain economic conditions of the time or regulatory / policy change. Accidents in need of compensation correspond to higher rates. Financial reasons and the role of the state increase reporting rates as well as cases in tribunals and courts. The role of the redistribution of money in the system is significant as financial loss or gain facilitates reporting rates. The timeframe of the Olympic Games and the works for preparation for them has been noted by the inspectors to have increased the rates of inspections and thus cases entering the system.

When referring to specialized issues on Health and Safety, one has to investigate the rates of accidents and deaths at work. Steven Box (1983) asserts that a person is seven times more likely to be killed as a result of negligence by one's employer than to be murdered in the conventional sense. During the years 1964 – 1994 (IKA, 2001) where official and reliable statistics are available, the number of work-related deaths has ranged between 83 and 168 reported cases. For the same period, the related accidents at work were of a range between 22.608 – 50.864. Even though the number of accidents has been steadily declining over the years, the number of deaths varies within the above range and seems to be more or less at similar levels. The business cycle is in a way related to the incidence of industrial accidents: in particular, the strength of the labour movement is related to the incidence of accidents at work. The weakening of the trade unions and the regulatory agencies has led to an undermining of the system of self-regulation, as Tombs (1990) has

investigated in the case of the Health and Safety Executive and Factory Inspectorate in Britain. The available statistics do not refer further to business type but accidents can easily happen to any type of office or commercial environment.

Moving on to describe the rates of financial and insurance regulation, the limited amount of processed data must be highlighted. In an effort to gain an indication, the researcher sampled raw data from the criminal courts officially offered in writing from the director of the department. Between 16/09/2005 and 15/09/2006, there were 16.103 cases filed concerning employment offences of social insurance – the total number heard in court. An additional 10.015 cases were postponed. During the year 2006, 18.502 cases were introduced to the criminal justice system and 5.000 of them regarded employment tribunals. The remaining 13.500 concerned debts of employers to the Social Security Offices.

*‘... It is difficult for us to try and calculate an exact estimate of the amount of insurance tax evasion. Firstly, because the concept itself has not a clear definition and thus clear factors to be measured and secondly, the difficulty of access in the illegal employment markets... Also, the functional differences between each different social insurance organization makes it difficult for a system of measurement to be created...’ [Inspector, Interview 3]*

From a sample taken from the register (of outcomes of trials) of November 2006 (first 15 days), from the totality of 1.713 cases heard, 237 were found not guilty and the remaining 479 were guilty. The severity of the offences which normally reach court and the seriousness by which they are taken from the criminal justice system is evident, as well as the fact that the system tends to prosecute cases dealing with state income under the criminal system rather than the civil courts, under the notion of imbalance between economic and social regulations. Still, even if the dark figure is higher, new cases reaching the system can be up to 18,000 – this highlights the importance given by the state and system to violations of social insurance but also shows the vast extent of crime. Finally, employers tend to take advantage of the lengthy procedures of the criminal justice system in order to gain time and avoid financial obligation.

For the year 2010, amidst the crisis, new challenges were brought forward for the regulatory bodies as new laws required tighter controls in an environment of increased deviance. The totality of inspections for the year 2010 involved 56.769 units (25,259 for technical and safety inspections, 30,965 of social inspections and 545 of special inspections). The total number of penalties was 15,611 (5,933 court cases and 8,313 fines and 1365 closures of business) that involved an amount of

finances reaching 16,053,300 euros in total. The enhanced and more efficient organization and function of the regulatory bodies is evident together with the illustration of the extended amount of crime occurrence that was further increased due to the crisis and relevant measures. The crisis effects on the system increase controls and decrease collectivity. The rates of cases entering the system are thus expected to rise as will the efficiency in the system of control via the use of new laws and EU funds. Lastly, on issues of measurement, previous limitations are gradually being overcome because of knowledge, IT databases and systems established during the last decade.

By observing the above illustrations and statistics, it is clearly discernible that the majority of cases forwarded to the system refer to commercial rather than financial services. Comparing the numbers of cases of complaints and those that actually reach the courts, a great divide exists. People tend to drop cases or reach an out of court and out of system settlement with their employer when they can for faster and less expensive resolution of their case. The financial services sector might be larger thus easier to inspect and detect but their economic power makes them difficult opponents in any court case. Their resources also allow for the more technical power of lawyers and accountants to identify loopholes in laws and avoid detection and prosecution. In the climate of the recent financial crisis – which started in Greece in the early 1990s and peaked in 2010 – and the increase of business illegalities, the state has produced legislation targeting the financial sector and the banks. The undesirably high number of reports of major illegalities by the banking sector against consumers and the workforce additionally reinforces this point (Kourakis and Ziouvas, 2007).

We must note the lower level of importance given to social regulations and employment law, compared to other forms of legislation and criminality. The distinction between economic and social regulation is an interesting ideological mechanism whereby certain forms of regulation are accorded greater legitimacy than others. Moreover, with social regulation, there are differences between the nature and efficacy of regulatory strategies (Pearce & Tombs, 1998). There is also always the question of whether the legislation and its enforcement have been able to successfully adapt to the new environment of global competition, as well as to Greece's market and financial problems.

In an effort to investigate the amount and extent of offences in the workplace the following can be discerned. Criminality is the rule in the work environment, enforced

by the economic condition, intense competition and corruption in unions or the state. The third sector of the economy is the most criminogenic and uncontrolled. Elements of a dark figure of cases never reported and the limited resources of regulators reinforce this. The reality of the extent of the phenomenon and the problems of its measurement and control were noted by all participants to be more grave and frequent than the statistics are able to show. And the same conclusions were drawn from members of all different target groups, as to their experience and perceptions concerning the frequency of business offences and deviant work enjoinsments.

*'...It is a phenomenon that we hear about too often, an everyday thing one can say...'*  
[Inspector, Interview 3]

*"I can tell you that in my knowledge, the statistics kept by the relevant authorities only measure 50% of the phenomenon, at the most. Because, as you can understand, people are afraid to go to the authorities and report.."* [Unionist, Interview 16]

*"..The third sector of the economy is the most deviant. This happens because it is the most difficult to be inspected and controlled. The industry produces a measurable product but the services do not. You can easily count bottles of whisky that have been produced, but you can't easily deal with ..for example...waitresses that work illegally.."*  
[Inspector, Interview 36]

### **In conclusion: The shaping of the system of control via political choice and fiscal pressures.**

Crime is a potent symbol of anti-social egoism which permeates the totality of behaviour and values within capitalism (Lea and Young, 1993). The core subject of criminology is behaviour that not only is socially harmful but also deviant. The latter is normally applied to the following: breaking of institutionalised rules, that others apply stigmatizing labels and that what the actor perceives could be stigmatised and sanctioned. The definitions of acts as crimes will always depend on the state's reaction to them and will be illustrated within the relevant legislation and system of control (MacKenzie and Green, 2008).

The status of total power of business and deregulation that was also promoted by the state was one of the factors that led to the collapse of the Greek national economy in 2010. Since then, the state has been trying to reclaim hegemony from business in order to salvage the economy, thus, the current austerity measures function to promote state power opposed to business power rather than promote equality and labour rights. Thus the crisis can also be viewed in terms of crisis of relations

between the state and society, labour laws and politics. These elements lead further to the division between reality and legislation (Travlos, 1990). Finally, flexibility and deregulation continue to be promoted where state income is not at stake, according to arguments about the distinction between economic and social regulation, whereby certain forms of regulation are accorded greater legitimacy than others. Moreover, with social regulation, there are differences between the nature and efficacy of the regulatory strategies (Pearce & Tombs, 1998).

The financial crisis and EU intervention pose more pressure on the Greek state to promote more punitive legislation and stricter controls in both business and households in an effort to manage the debt and increase state income rather than promote social justice. This translates to increased state hegemony over business and business hegemony over labour. The pyramidal shape of capitalist societies has been intensified in Greece and its impact on employment offences and business crime has already influenced the legislation and system of control in a schizoid representation: increased inspection and monetary penalties to increase state income on one side and weakened labour rights and flexibility/decriminalisation on the other side with fewer cases on the system and less control of victimisation where state income is not involved.

The relevant regulatory authorities will always take matters seriously when an employee reports a case, but their lack of staff and expertise makes it impossible for them to discover more cases and grasp a part of the hidden number of occurring offences. The funnel of criminal justice procedure can be observed in business crime as well: the cases that enter the system are many more in numbers than the ones reaching court and conviction. Loopholes in legislation keep conviction rates low. The easiest cases to convict are the ones of social insurance tax evasion, because it concerns state income, and health and safety related offences because they are very evident and difficult to hide. The end of the line for a criminal prosecution is usually a fine, but for some adverse cases imprisonment or closure of business are also existing possible sanctions.

Employers in both the public and private sector are convinced that it is too expensive to regulate or pay 'decent' wages and benefits. The requirement to compete in the global market is to roll back such demands. They are also convinced that government regulatory structures are inefficient and counter-productive. It is evident how little fear employers have of any punishment for employment offences -

especially financial firms with all their power and strong connections with state and private actors. Insecurity usually rests with reporting employees and not employers.

There is no stigma attached to business crime that is perceived by the regulating authorities as part of the function of the national economy and markets. Rates of conventional profit motivated and business offences can be similar but their different regulation underlines once more the different perspective in which the state views the two types of offending behaviour and their control. The above de-criminalization approach to the regulation of business offending only serves hegemonic and class interests and, thus, does not provide an adequate regulation of the phenomenon. It is into this gap that this project can generate interest that can assist in altering the dominant and official perceptions of business and employment offences via the use of social research. And this is a deliberate choice, similar with other current trends in criminological research:

‘...by calling unprosecuted acts ‘crimes’, researchers add moral punch to their claims...actions as criminal even when no legal action is directed against them. However, by focusing on these acts as deviance rather than crime directs attention to the social movement process whereby claims makers have transformed these actions from acceptable to problematic..’ (Chambliss et al, 2010: 19).



## **Chapter Six**

### **The micro level of analysis: The experience at the work environment and the role of national business practice – The impact of business crime in modern Greece**

In this chapter the deviant business practices of both financial and commercial services in Greece will be highlighted together with the influence of managerial techniques and locale market structures. Issues on victimisation and the impact and mapping of crime are also going to be presented. Furthermore, the character and elements of the deviant and unhealthy work environments, the role of business size together with the new situation created by the current financial crisis will be examined in order to fully illustrate the victimisation and the impact of this type of criminality.

#### **Deviant Business Practice in Financial services - the managerial perspective**

##### The role of capital and enterprise in business ethics and business deviance: The accumulation of capital as base for deviant practice

Crime is a potent symbol of anti-social egoism which permeates the totality of behavior and values within capitalism (Lea and Young, 1993). In this conceptual framework, it is important to be able to link elements of capitalism with the crimes committed in its name by its main instrument: modern business. When trying to explain the role of business in modern economy and society, it is important to define this type of society by its economic system. Capitalism involves the private ownership of capital including goods and the means to produce them, profit and a free market economy in which goods, services and labour can be freely bought and sold (Joseph, 1989).

Within the capitalist system of production, the enterprise is the main instrument of progress. An enterprise is a social system with interconnected and interdependent members that is dynamic and flexible while achieving an inner balance when it interacts with itself and with its environment. It is constructed by a number of sub-systems functioning to achieve goals (Georgopoulos, 1999). Legally, the body corporate consists of four elements. Firstly, there is the corporation itself. Secondly, there are its shareholders, thirdly its directors and fourthly its managers. An additional element is the lower rank employees (Pearce and Tombs, 1998). Many

corporations today are transnational (multinational or global) and produce goods or provide services outside their home country. These companies are very well positioned to take advantage of political corruption, the absence of regulations and the desperation of third world countries. Their enormous resources give them great influence over politicians and play an important role in shaping public policy (Friedrichs, 1995).

The above is a very appropriate example of the amorality of modern business that functions with the main aim of accumulating capital. Even though there has always been a close connection between ethics and law (Allison, 2008), a connection between ethics and business can be viewed as the ultimate oxymoron (Punch, 2008). Until the 1960s, ethical issues related to business were often discussed within the domain of philosophy and theology. In the 1960s, an anti-business attitude led to the 1962 Consumers Bill of Rights and in 1965, Nader's publication of 'Unsafe at any Speed' marked a significant juncture in this movement. In the 1970s business professors began to teach corporate social responsibility<sup>14</sup> and US president Jimmy Carter attempted to focus on upholding ethical principles in government. In the 1980s business academics and professionals acknowledged business ethics as a separate field of study. In 1991 ethical compliance programmes were established and even though the effort became more institutionalised in the 1990s, new evidence in the early 2000s showed that a serious number of business executives had not yet fully embraced them. Globally, businesses are working closely together to establish standards of acceptable behaviour. The development of global codes of ethics, such as the Caux Round Table, highlight common ethical concerns for global firms (Ferrell, 2005).

Additional development occurred with the interest of researchers on business ethics and organisational behaviour and misbehaviour. What is common to all who write about business misconduct is that companies and their owners and directors use their power to influence legislators and enforcement agencies (Minkes & Minkes, 2008). But besides the deviant behaviour of modern business, the role of ethics in business practice is a fundamental core. The purpose of many surveys was to assess perceptions of business students and business practitioners regarding ethics

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<sup>14</sup>The term Corporate Social Responsibility, is concerned with internal behaviour towards employees, external behaviour towards consumers and obligations to the wider community (Minkes&Minkes, 2008).

in business. Results indicated that both professionals and students perceived a significant gap between the ethical response to the given situations and the typical business person's response (Cole and Smith, 2004). The profit motive is rather an intuitionally generalised goal which is learned in the course of what has been called the secondary socialization process of business practice (Parsons, 1951).

The above developments clearly illustrate the connection between business practice and the core values of the capitalist system of production and the additional interest and significance researchers, practitioners, business schools and government officials give to the organisation, function and practice of modern business and its moral and amoral behaviours. In this framework, it is now time to present the national reality of business practice, its amoral and illegal or harmful behaviours and the impact on shaping criminogenic and unhealthy work environments. The impact and harm imposed on the national workforce of the relevant sectors will be further highlighted.

### Illegal business practice in financial firms in Greece

This presentation of illegalities in modern Greek business practice will begin by examining the financial services sector. These services usually include the banking and para-banking sectors, the insurance sector and numbers of accountancies and taxation firms. Of those, most of the companies are smaller or medium sized, apart from the banks. Banks, even though in no way comparable to their international and European counterparts in size, capital or power, are quite powerful in the national economy and evenly widespread concerning their branches in the capital and periphery. There are only a small number of banking enterprises operating in Greece. They are extremely powerful organizations, competitive with each other but very close together in the pursuit of their interests (Psychomanis, 2006). The general notion underlining any business but especially the banking sector is that of pure greed for more profit. This value has an obvious influence on their behavior to clients and their staff as well as their connections with local communities and the public authorities and state.

The 'game' in the market is what drives employer mentality. The businessman has historically been thought of as egoistically pursuing his own self-interest regardless of the interests of others, while the professional man was perceived as altruistically

serving the interests of others regardless of his own (Parsons, 1954). According to their own views, they always prefer to be legal but they will adjust to what the market needs because they have to compete with others and they always aim at the highest possible share of the market to maximise profit. They value their customers more than employees. An effective management of expenditure and cost is vital and this is where offences normally arise. Employers and managers view deviance as part of the game and believe that both small and big businesses have their ways, even though in Greece smaller business can be more illegal due to invisibility. They understand that their staff is a great part of the success of their business and do not want a difficult relationship with them but they always see their own interest first, as is demanded by the informal rules of competition. The most common causes of criminality are the 'game', the loopholes, the risk taking, the current crisis and share in the market. They acknowledge state favouritism and dislike dealing with unions.

It is significant to begin by presenting illegal practices currently rife in the financial field. Regardless of the stylish environment and efficient service, financial firms in Greece operate generally pressurised, in an unhealthy and criminogenic work environment. Unpaid overtime seems to be occurring frequently, and employees mainly complain about it within the organizations themselves. The employers seem to try to enforce a policy of undeclared overtime upon their workforce, so that proof of offences is non-existent. It is evident how the staff is normally forced to participate in deviance with their silent agreement, so that they can be seen as having an active role via their passivity. The problem with enforced overtime is an issue that has created intense work pressure in the workforce and it has been successfully made legal during the last few years based on articles concerning task management and timing. The modern issue in the banks is actually the payment of overtime and there are certain loopholes here that are normally used to neutralise the issue. An employee of the bank can work from 7:45 to 3:15 weekdays and 9 to 5 for those working in central administration - but people stay until much later. And the employees have accepted this through their individual contracts. They have just signed them without checking with the collective contract, something they are not able to control. Services which involve working out of hours – like phone banking or credit cards - are the primary problematic section. There are fewer controls there and the employee is less protected by law and also less able to communicate problems than they would be able to in the branches.

*'...we could not have any control over our salaries and what we earn. Our pay slip never mentioned our hours of work so it was difficult to know ...' [Employee, Interview 18]*

*'..Well, apparently we had all signed off our claim for paid overtime while signing our contracts. It was mentioned on the contracts that the bank will not be paying for overtime since our tasks are calculated somehow...I can't remember the exact words but something like the managers makes sure that our tasks are made to be carried out within the normal operating hours. We had all signed this, we could not claim anything..'* [Employee, Interview 22]

The work environment in the banks can be characterised as creating illness and is deviant even though it looks clean and stylish. It involves pressure, competition, goal setting and health problems, first psychological, then physical. Work-related pressures and stress is another issue stemming from long hours of pressurised work and bank employees do not have help from any source to relieve this. Firms try to offer mental health seminars and stress reduction courses to their staff after being diagnosed by their own doctors. The paradox here is that by offering those courses they are trying to resolve a problem that they have created themselves. The legislation is not yet developed in this area. A reaction, especially a personal one, is undesirable within a banking organisation since it can limit career prospects.

Further health and safety related issues have been identified. Banks have been found by the authorities to build up doors and windows, thus undermining the quality of light and air and producing a serious health and safety danger. They normally offer stress management to employees and try to manage the problem they are creating for them but rarely do they offer extra time off for medical reasons. Provisions like this are sometimes related to parental rights that often concern pregnant women. Parental rights and motherhood are officially respected within the sector but behind the curtains when a mother claims her rights for fewer hours of work, other employees will be covering up for those hours without extra payment. On one hand, the sector will respect mothers and their rights and on the other there is pressure being created for the other employees to cover up the gap in schedules, tasks and working hours that is created. The banks actually respect parental rights but refuse to pay the cost these rights incur so the other employees will pay for it. In this way, the sector is proclaiming its respect to mothers, seems to be readily and easily adjusting to laws over parental rights but is in truth only pushing the extra strain created back to labour so that their operation and profit remains unhampered. What appears to happen is that the banking organization seems lawful and socially correct but this is actually no more than an appearance. In reality concerning most of the social regulations and especially those that refer to special needs and vulnerable

groups, it forces the cost back to labour which is actually paying for the financial costs their rights create. The legislation does not provide protection for this. New laws continue with this policy for protection and extra rights of the vulnerable groups but they do not offer solutions to the problems these laws create for them in terms of increased security (Koskinas, 1995) – capital will find a way to preserve its profits.

Appointments have been researched and found to be deviant (Tenekidou, 1999) and are normally selected through the formal procedure but selection through mediators is not unlikely and it is not viewed as a critical problem since the person appointed will normally have the skills required. But from the 100 people appointed, 10 or 20 will normally leave their job at some point. Much of the workforce in smaller financial units, accountancies in particular, consists of people in temporary job posts or trainees. The exploitation of the work of trainees is another form of exploitation of cheap labour that has been standardised in Greece as a means of combating high unemployment rates. They are there to offer work experience to people and a possible job post but employers normally just offer the brief training and then train more people in the future in order to use their work that the state pays for.

An additional and very important problem concerns competition. A sort of “patriotism” has been created among bank employees concerning which will be the most successful bank. And because the product and the rates are more or less the same for all banks, the difference is believed to derive from service to the clients. So, it is believed that good quality services stem from where there will always be a person available to serve the clients’ needs. And this leads to overtime. Furthermore, in the banking sector, there used to be an issue with pension compensation - issue which had full knowledge of the management. The law got stricter and things are more controlled now so employees can receive their pension and insurance contributions in full.

Nowadays, offences are reported more infrequently due to more controls from the state and public. The banks value public opinion a great deal because the public are their customers. Every different branch is like an independent economic unit of the whole organisation. If a branch gets fines from the employment inspection unit the amount gets deducted from the profit of the branch and they will have to explain the issue to central management. The above are factors that hinder criminality in the sector. But in-depth conversations offered more insight into this issue: Larger units and medium sized organisations face a number of inspections every year and some

of them occur monthly according to the law - they are usually employment or safety inspections. Larger units find loopholes in order to evade obligations or they rely on people's valuing to work of a 'secure' company. But being fined does not make an employer respect the law. Many get multiple sanctions and still continue to deviate.

Employers are very aware of the legislation that deals with their own rights and readily participate in their associations. They will normally claim not to be very interested or aware of employment legislation and get this information from their HR, legal or accountancy teams. Financial businesses are likely to have a legal team to get all relevant information concerning employment legislation, try to show compliance and cooperate well with the inspection authorities but decline and do not favour unionization. Unions normally break the image of 'we are all the same family' that businesses want to instill into their staff, so are usually not welcomed and even denied access to the premises. On the other hand, financial companies and especially the banks are very well connected with each other, belong to the same associations, and even though they are competing enterprises, they stand very close and solid in the promotion of their collective rights.

In addition, the crimes at the top are extremely difficult to detect and prosecute. They are perpetrated inside a close circle of people united by mutual complicity, loyalty to the organisation and esprit de corps, people who usually take effective measures to spot, silence and eliminate the potential whistleblowers. They require a level of legal and financial sophistication which is virtually impossible to penetrate. All these factors lead to the identification of crime with the underclass and the criminalisation of poverty. Fragmentation and estrangement at the bottom remain the twin siblings of globalisation at the top (Garland & Sparks, 2000). They also use the technique of punishing any employees reporting them via communication with new employers and the significant conclusion to be drawn from this fact is that the employers offend but the employees have to deal with the stigma in the future. Since in this case the stigma is not only discrediting but limiting of career prospects it is thus normally avoided (Goffman, 1964).

Employees like to be working for the banking sector since it is a sector regarded better in terms of pay, benefits and career prospects. The majority of these people will accept the problems and the work environment for what it is. In a wider context of crisis, competition and unemployment, they compare the outside with the inside and see how they can manage the situation by themselves. The interpersonal and

informal relationship climate that normally works within the smaller companies is also true of the banking sector with regard to the communication and everyday interaction of the staff with the HR department and the line management. The main methods used in order to manage and manipulate the workforce go through management techniques and the diffusion of managerial ideology to the staff.

*‘..I think that these issues are still a taboo within the companies themselves. People are not encouraged to talk about offences and rarely do they approach a manager or the HR department’ [Employee, Interview 37]*

When referring to the management approach used in Greek firms one has to differentiate between larger and smaller units. Large businesses normally use official guidelines for the management of their staff and employ people at the HR department to do exactly that. Their main characteristic is to diffuse managerial definitions to the staff, make them feel as a family and adopt the company’s interests as their own. Every power which manages to impose legitimate meanings by concealing the power relations which are the basis of its force, adds its own specifically symbolic force to those power relations (Bourdieu & Passeron, 1977).

*‘..the line between the employer and the employee is becoming blurred..’ [Unionist, Interview 29]*

There is no such thing as a manager. Used as a description and not as definition, managers are those employees who take decisions and then accept the responsibility for these decisions on behalf of an enterprise, a department of an enterprise or a department itself. But today’s middle managers do not have control over their own salaries and benefits; the majority of them do not progress very much further than their current position. Senior managers often go to considerable lengths to dissuade junior managers from joining unions. The most common method used to discourage unionisation is to let it be known that membership equals disloyalty which then equals non-promotion (Burns & Stalker, 1961; Jenkins and Sherman, 1979). This effort to blur the boundaries is purely ideological, of course, and happens in order to increase productivity and avoid problems stemming from unionisation, class consciousness and deviance or strikes. But the reality is rather different:

*‘..They normally never face any problems but they as well have to work for long hours. But their pay at the end of the month is so much different and higher than that of other employees...’ [Unionist, Interview 16]*

The role of ideology and its diffusion within the workforce is very important here and constitutes the key element together with the power these banks hold that sustains



criminality. The blue-collar worker of the past has become the white collar worker of today, and highly skilled jobs experience higher wage dispersion than low skilled jobs (Christopoulou & Kosma, 2009). Critics warn that team systems may encourage workers to internalize managerial definitions of their work situations, and as a result strengthen the managers' hegemony over them (Vittiello, 1992; Vallas, 2003). The above elements are based on the lack of proper information and the effort of employers to combat the collective movements of their employees. Even though the financial sector has, together with the public sector, the strongest and most powerful union membership in the country, the proper diffusion of adequate information is not achieved. The competition of employees within the sector further undermines collective reactions and increases false consciousness.

*".. And even if one of the employees tries to resist this tactic, he will first have to face his colleagues that will say: "Come on, this is our future, our bank, our bread, and who are you to want to change the current status quo". And this is the general climate that has been developed, from which the employer will benefit and all the rest will lose..."*  
[Unionist, Interview 8]

Another important method of workforce management and diffusion of false consciousness is awarding the loyal and productive staff with titles: senior manager, manager, supervisor, and coordinator or senior. They are all made supervisors, managers without any more benefits coming with the title. In the banks and multinationals things like that happen often. Sometimes other forms of bonuses accompany these titles like a car and phone, but include no fixed hours of work. People normally work 12 hours a day. They give bonuses and little things like Christmas presents, travelling but no actual real benefits to be received according to the collective contract. As an addition to managerial techniques, technological advancement and efficiency, is another element that capital can employ for the manipulation of labour. Technology will always undermine the power of labour as it can replace the need for a workforce. Thus, competition can be increased together with unemployment that can maintain an insecure, mal-informed, fragmented and 'well-adjusted' workforce. Technology is seen from the managerial perspective as an element that can help combat deviance as well as legislation. Moreover, it is cost efficient, something that every business can make use of and appreciate.

State favouritism of business is an element that can facilitate deviance. Employers have a good connection and relationship with public officials, a relationship that can help them avoid stigma and punishment and other elements that pinpoint corruption and its role. The difference in power has the protagonist role in criminality.

According to the 'dangerousness perspectives' proposed by Pinatel, white-collar criminals are of high dangerousness and have the greatest criminological dynamic and the highest social adaptability (Dimopoulos, 1988). The reason for the good cooperation with the employment and other inspectors is not only the legislation, but a means to avoid fines in the effort to keep a good public image. Financial businesses regard fines as insignificant and believe they can take advantage of the formal procedures as they are characterized by values that seek not to pose obstacles to national business growth. They normally let the cases go to court to buy some time and secure internal borrowing from wages. According to the words of the inspectors:

*'..All business does not fear fines and penalties as they are minuscule..' [Inspector, Interview 13]*

Financial business always tries to show a legal and formal character as part of their general image and try to hide any offences that occur. The banking sector will normally involve their legal team and will always deny any responsibility in the first place. Financial enterprise and especially banking is a line of business that makes its profit from the general public, thus, public opinion and consequently the media are good friends or huge enemies. Employers are afraid of any sort of strike or case stemming from either the staff or the clients. With media attention a matter can explode out of proportion and have a negative impact on in the company's reputation and profit.

*'...They fear any sort of rebellion or strike. And banks are under scrutiny from the media as well and they are afraid that if something happens it can take huge proportions. But I do believe that it is easy for something to happen as an individual case. This is easy. But this is a risk as well, because you never know how the person is going to react to it. He might approach the authorities and newspapers. And this can happen with cases of offences against clients as well. And there have been many cases of clients coming forward and winning their case...' [Employee, Interview 18]*

*'..They have a phobia! They do not want communication [with the unions] and we often see that they are the ones that respect the contracts and might even pay a slight amount more, so that they can always claim to us that they are more than right in how they treat their employees...' [Employee, Interview 22]*

*'...Concerning the higher ranks, well, when a bank is deviant, you know that they will not be cooperating...They deny anything taking place or they say they are operating within the legal standards. And they also try to enquire about the identity of the complainant. All cases are anonymous but the directors will say "No we are not doing what you are accusing us of, to whom we are not eg. paying overtime?" And of course, you cannot go and name people. And directors will never come to meetings with us [unions]. They are not willing to cooperate in many ways...There are only few people that will make a formal complaint and even fewer that will take cases to court. The vast majority of cases, in our experience, will make it as far as the tribunal...' [Unionist, Interview 8]*

## The influence of culture

Other elements that were observed as influencing the criminality of modern financial companies in Greece that mainly derive from the distinct characteristics of markets and culture in Greece. There is a micro-macro connection of how culture plays out in organisational decision making and cultural imperatives and choice. But rather than saying that economic gain is the only one cultural imperative that will influence organisational and individual choice, there must be other elements too. Culture is multifaceted and dynamic. Organisational processes shape understandings and actors do not view their behaviour as unethical, deviant or having harmful outcome (Vaughan, 1997). Greece is familiar with other customs and social reality than most European economies due to its turbulent and distinct past. It is a patriarchal society and family, where the father has to be able to support his whole family with his salary. But European societies know that there are two working actors in the family, the man and the woman. The Greek society and its work culture is still adjusting to this fact. Additional cultural elements are tendencies towards autonomy and aversion of hierarchy, creation of informal interest groups within an organization and bullying and harassment as a means of competition between groups.

*“..We will of course get to that stage but maybe after 20 years. We do not adjust to changes as well as other European societies, in my mind it's like we need an extra 20 years to adjust! ..” [Manager, Interview 6]*

Greece has a reputation throughout Europe for having an inefficient business environment with low productivity. Much of this seems to stem from the notorious public sector. In the private sector, most companies do not have organisational charts or job descriptions, and those that do, usually ignore them (Sarafopoulos, 2006). In spite of the emphasis on personal relationships, managers in Greece are less likely to give verbal positive feedback to their workers. This is because they expect the staff to do a job correctly, and there is no need to say something unless it's not done properly. Some managers are afraid that the employee will become too confident and will stop working hard. Finally, there is the notion that positive managers could lose the ability to control their staff. Greek employees have a strong sense of *filotimo*, which translates as personal honour. When they are insulted in any way they can be extremely uncooperative and may even take actions to cause trouble (Broome, 1996).

The role of foreign capital is seen as important in financial services. Characteristics of the national culture and especially the specific culture in the work environment can

play a part in the organization of work, in the relationship of employees with management and additionally influence deviance. But there is another face to the power and capital of foreign investors. In general, foreign capital in the sector is seen as more aggressive and demanding to Greek nationals working for them.

Multinational companies have the most proficient work environment cultures but more often put more pressure on the staff over timetables and task management. They offer the best option for working conditions concerning Health and Safety at work because they know poor working conditions can influence productivity. All big companies employ a doctor and health and safety engineer but they do it just to comply with the regulation rather than to actually provide good standards. If they were more interested, the doctor and engineer would be able to resolve any issue internally and in a better way than the inspectors do, because they would be the ones with the specific knowledge of the company and work environment.

*‘...I worked in an American owned bank in the beginning of my career. And they had a tougher approach. ...We are talking about pressure in all glory! When I left it and went to work for a Greek owned bank, I immediately saw the difference. I felt it! In the American bank we had strict timetables of how the day should progress. So, from 7:45 we had to be ready to start. If you wanted to make a coffee, this had to happen earlier. We were constantly timed..’ [Branch Manager, Interview 34]*

*‘...I worked in an American owned company for a while – not a bank. They are stricter concerning rules and management, and this is another form of pressure. The Greek owned organizations will adjust easier to the reality of work in this country. If the foreign capital is to be invested in Greece they want to have the first say and make the rules. And of course they are interested in making profit. But I have to say that there is a minimum of cooperation with national actors and consensus. Foreign owned banks are always stricter and tougher..’ [Employee, Interview 23]*

*‘.. Greek companies are more interested in the Greek citizens. The foreigners will not really care about you and they see you as disposable. And they don’t care if they are a little deviant...they have more capital and more power...’ [Manager, Interview 11]*

From the above examination of deviant business practice in Greece, the role of the power and efficiency these actors contain is the key element that allows illegalities, escapes the controls and shapes the work environments as well as the incorporation of the workforce into a criminogenic and unhealthy mode of work. The collectivity of financial units is solid and many managerial techniques are used to silence potential whistleblowers. But from a closer analysis one is able to distinguish the social harm behind the stylish desks. Harm in the form of inequality and false respect of rights, increased pressure and mental health concerns, nepotism, violation of standard rights on collective contracts (mainly hours of work and overtime) and the general degradation of the standard of work for the well-educated employees of the sector.

Lastly, this solid collectivity of financial actors and the intercommunication networks they maintain together with the false consciousness they try to impose on their insecure workforce minimise reactions to deviance.

### **Deviant Business at the local level – Commercial small business crime**

#### The role of small business development and the local markets: The dissemination and communication of innovation in deviant practice

Small Business Crime is any illegal activity carried out by a small business or on behalf of one by its owners, agents or employees, for which penal sanctions exist and may be applied to the company, its owners and/or its employees (Barlow, 1993). A medium sized company, according to EU guidelines, is defined as any business employing less than 250 workers and whose annual income does not exceed 40 million euros. A small business is one employing less than 50 workers with an annual income of less than 5 million euros (Koukoulaki, 2003). This concept normally refers to an enterprise where the manager is usually the owner of the majority or a large part of the capital and maintains direct and permanent relations with the employees. The climate of employment relations is therefore quite different from larger firms, and formal institutions of workers representation are often impracticable. These employers are usually vulnerable financially and more reluctant to accept increases in labour costs. They also lack expert staff and membership in their representative organisations (Blanpain & Engels, 1998).

Small business crime usually links with opportunity structures, informality and local networks of relations (see Barlow, 1993; Mars, 1994). Members with easy access to opportunity may engage in innovative deviant behaviour, thus developing alternative courses of action allowing these people to become prototypes for others, becoming comparative, normative referents (Passas, 1997). The communication of these techniques do not stem from efficient sector based solidarities but from the communication found in networks of local markets, their structures and relationships. Thus, the market structure is significant at local level not only for the development of small enterprise but also for the transmission of techniques for crime. Interpersonal processes shape understandings and actors do not view their behaviour as unethical, deviant or having harmful outcomes (Vaughan, 1997). According to the above theory, the local market seems to be the key factor influencing the illegality of smaller employers.

Ram (2001), and others have stressed the importance of the informal nature of small firm relations to business survival. But informality and negotiation have never led to any real blurring of the hierarchical distinction between directors and employees. A general conclusion is that informal negotiation of consent tends to predominate in very small firms. This tendency is not merely a product of low unionization rates in small business because the informal way in which small firms operate often produces atomized rather than collective relations (Moule, 1998). Informality cannot smooth away the power relations that shape the management process, but it can often mask highly exploitative work regimes. Informal employment relations can be defined as a process of workforce engagement, either collective or individual and as such, informality is a dynamic rather than fixed characteristic, and is highly context specific. This is accepted as an inevitable product of entrepreneurialism and those interpersonal relations in the workplace, promoting individualized and ad hoc patterns of decision-making and behaviour (Blackburn and Hart, 2001).

How far any formalisation of the employment relationship proceeds over time or alternatively how far the process of birth and death of small firms acts in the opposite direction is one issue for future analysis. But perhaps the key one is the extent to which the regulatory environment influences the competitive position of firms. The evidence in relevant research (Edwards et al, 2003) claims that the effects are generally small but that in some circumstances regulation can encourage modernisation.

From the above issues on small firm deviance the researcher must consider of utmost importance the fact that small firms are mainly invisible to regulators. This is especially true in Greece, where the vast majority of businesses are small and medium sized, especially in the third sector of the economy. Small business creates the dynamic of informality, thus, atomised, informal relations prevail against the formal employment regulations. The relevant research is not fully developed and it is a gap that this project will make an effort to partially fill.

## Illegal business practice in commercial services in Greece

Into the above framework of small business operation and local markets, offences and deviant techniques are rife within a criminogenic environment. Illegal employment is a very serious matter, especially since it is kept hidden, thus unidentified and un-inspected by the authorities. It can be viewed as one of the side effects of vast unemployment in the country. Other offences that can occur are un-registered and unpaid overtime, long hours of work and the evasion of social insurance contributions. Moving on to illustrate the situation in the sector of commerce, there are a number of similarities with the financial sector, such as unpaid overtime, employees working illegally via so-called trial periods and loss of insurance contributions. Employees pursuing their cases dealt with problems of annual leave and parental leave and benefits, and the lunch break which does exist within Greek legislation but with which no employer will normally comply.

Propensity towards entrepreneurship in Greece is high as shown by the propensity towards self-employment. But licensing and tax evasion seem to frequent in Greek business and SMEs where regulations are not properly enforced or controlled. Strong and effective supervision is of key importance. (Eur. Commission, 2011). Many more cases involved financial loss of insurance and pension contributions, employees were employed without social insurance for more than two years. They only received a fixed amount of money each month, an extra to cover up for the loss of contributions, a lot less than the amount they were actually losing. This is normally the standard practice when employers commit this offence. Finally, lowering the standards of the profession is another practice employers use in order to avoid costs and increase their profits.

Small commercial companies often tend to dismiss staff via the unofficial method of enforced resignation in order to avoid the financial compensation that follows dismissal. Often this enforced method involves harassment and threats. The following cases refer to employees in shops and supermarkets which are chains and normally employ a large number of employees. Apart from the usual problem of unpaid overtime, another issue has surfaced: how employers can evade the law at the cost of their employees when it comes to dismissal. Enforced resignation is a technique used in order for employers to be able to avoid payments of compensations after dismissals and it is a technique with blurred legality.

*'..The specific company rarely dismisses any employees. They make us resign on our own. And transferring people to a great distance from home is one of those methods. We call it "adverse transfer". ... It is the policy of the company, in order to avoid paying the compensations after dismissals....' [Employee, Interview 20]*

This can create a culture of intimidation for the staff and in cases of offences verbal abuse is used and in some cases even physical violence. The use of violence can concern the staff, union members or even the inspectors. Reactions of small employers when it comes to anything that obstructs their interests and the function of their company can be unpredictable, a fact that can make controls more difficult.

These employers settle their obligations according to the legislation. They get information from their accountants, lawyers, association and sometimes from employees that unionise. They pay what they have to and do not spend extra where not obligated by the law. They feel that problems do arise with the staff; it is not uncommon and can concern formal or personal issues. They use trial periods to test their new employed staff. This normally lasts a couple of months and the employee will get pay but no official contract and insurance contributions. This is a common practice used by employers to evaluate new employees. They know it is illegal but always do it even though there is a risk of being reported. Staff and employer cannot communicate very well, and staff cannot understand the employer's mentality. The trial period gives the employer more security and it is not usually done for the money. Some employers though, use another method in order to get staff to work for them for free. They habitually dismiss people after the trial period is over (usually 2 - 3 months) and then hire more for a new trial period and go on in the same way, or employ people through programmes of the OAED, where the state usually pays the salary and no insurance is given, and once this period is over they get new people.

In social insurance and other social regulations, financial gain plays the most important role and makes employers break the law. Loopholes do exist in legislation and they do know that they are likely to get away with it, even if discovered. The third sector is less regulated than other sectors. Employers operate under the notion that when they can, they will offend, thus, illegal behaviour is the norm. They take advantage of the current situation of financial difficulty to offend and gain more profit at the expense of their workforce. The invisibility of their small firms to inspections and controls further facilitates deviance.



Regarding Health and Safety offences, large size employers are less likely to offend as it will be too evident in a case of inspection. Smaller employers are ignorant of the relevant legislation but for them safety is seen as an unnecessary luxury. There is no health and safety consciousness or culture yet, but larger employers are more informed and view this piece of regulation as a motto to present their business as socially correct and use this to advertise themselves.

*'...Employers, on the other hand, see it as another means of the state earning more money....if they were complying with these measures all along, they, for example, constructed their premises according to health and safety guidelines, the cost would be minimal..'* [Inspector, Interview 13]

Moreover, minor offences are frequent in commerce and can take gigantic proportions as they are not regulated and a minimal number of employers will comply. Many opponents of greater sanctioning are negative to prosecuting minor violations as too insignificant to be dealt with the criminal law. But this obscures the fact that minor violations can have major consequences in terms of death and injury, financial loss and quality of life and work (Pearce and Tombs, 1991). Other similar examples can take the form of evading the law on weekly days off, enforced overtime and employment through self-employment.

*'...In every company I have ever worked for, there was always some sort of a minor offence. Things are so difficult now with unemployment that nobody leaves their job over a petty offence. I never found an employer that was absolutely honest and in full compliance with the law...'* [Employee, Interview 17]

The legislation and the changes that have passed in the law during the last decade can have their own influence. This is always important since it is the law which defines and proclaims deviance. Employers are not always familiar with the current changes, or they pretend not to know. The law favours the employer's side on certain issues that are now not considered to be illegal anymore. Since 1992, employment legislation has kept on changing to accommodate the growth needs of national capital. This fact was taken full advantage of by employers who claimed they were not informed of current changes to avoid prosecution. Pretending not to be aware of new changes in employment law and new workers' rights is one of the methods employed to delay offering / paying up wages owed according to these new regulations. In commercial enterprises especially, large or small (from local shops to big supermarket chains) this method is normally used for delaying payment of overtime or giving days off as parental leave. The lack of proper unions and representation in smaller firms additionally reinforces this. The lack of proper

information diffused throughout the workforce cancelling legislation changes means the preservation of deviant work environments.

*‘.. There is a great variety of offences occurring and employment law is always changing. One needs to always be informed about the latest developments...’ [Inspector, Interview 13]*

*“..and sometimes employees are not aware that they are being cheated out of money. It is not a simple thing to be able to calculate your salary. You have to know certain parameters...” [Unionist, Interview 16]*

The above data sketch a deeply criminogenic and unregulated work environment full of minor offences and non-compliance where informality, interpersonality and intimidation prevail. In this unhealthy climate, the offences and their technical details are transmitted usually through the communication of local employers and business owners, via tricks and loopholes suggested by their accountants and even via the interchange of staff in the local labour market. It is interesting to analyse these effects further.

### The role of informal and formal relations in local markets

Smaller or medium sized units are less regulated and thus more openly criminogenic. Formal procedures within them do not exist. The relationships are interpersonal and in most cases the owner is also the general manager. This means that the work environment of each business is normally shaped by the different personalities of the owners. Informality is not the only element that characterizes relations referring to small business. Formal and informal relations play a part as they are structured into the framework of the local markets.

*‘... the other day we had a case with someone in commercial work and he has been working many years for them. He believed that he was favoured by his employer and could not be dismissed or anything. But he did and they owe him money. He called us and we told him to make a formal complaint. He didn’t want to do it because he did not want to ruin the personal relationship...’ [Unionist, Interview 30]*

In an environment of a smaller business unit, matters are different, informal relationships prevail and it is a matter of interpersonal liaisons to resolve issues. The ability of employers to intercommunicate and influence the career of employees who pose a threat by claiming their rights is evident. This causes employees who have made official complaints against their employer to be scapegoated in their current work environment and stigmatized in their future one.

*'...the private sector operates under the notion that "this is the situation and if you don't like it, there are 50 other people waiting outside to get your job". So, you know how easy it is to lose your job, how easy it is for your employer to find a new person and how difficult it is for you to get a new job. And nowadays the role-model is the employee that develops hierarchically. So, you think, if I work well and show good will and do the extra hours, and don't cause any problems, I will get a promotion. This is what they have been able to enforce us to think...' [Employee, Interview 22]*

The small sized units that prevail in Greece are another contributing factor that assists the flourishing of business crime. These units are based on informal relationships between employers and employees, are difficult to control and result in workers being less likely to form a union. Locality and social characteristics play a part of who is victimized (Lea and Young, 1993). The commercial local markets outside the city centre with less educated employees most of the times are less collectively motivated or represented and are a frequent source of criminality at the workplace.

*".. we do not have many larger units and multi-nationals in Greece. I have to say that these big companies have a different culture of how to function and how to manage their employees. Things are very different there. Not that there are never any offences there, of course there are. But the phenomenon is much more frequent in smaller units. And there are many reasons for this....Second, there are not many or any unions operating in smaller units. Where there is a strong union, there are far fewer offences.." [Unionist, Interview 15]*

The following participant working in a medium sized accountancy office shares more information on the conditions of work in smaller financial units where the interpersonal rather than the formal is the one element that prevails. Unpaid overtime, intense pressure and deadlines, covering more than one post with only one employee and illegal appointments with the excuse of a trial period are a few of the offences committed in this case. Additionally, the role of the employers as a person and how his personality can influence the work environment is crucial, as bullying was really an issue.

*'...I started working there without a contract, I started out like this to...I was tested in a way if I was fit for the job. And I could also see if I liked it. ...From the first week I started observing things. And then I realized why he never maintained the staff and always looked for new people...Then the nature of the work and the deadlines were so intense that I normally left at about 8 in the evening. Too much work. He never told me to stay. But when you have the work pending...He refused to give me any money...We had a terrible argument....with badmouthing and everything. Other people that were there were holding us down, not to get into physical violence...' [Employee, Interview 21]*

Most of the employees in the local supermarkets do not unionise, as management normally disapproves and can give adverse transfers to people that do - this is in their power. These companies usually like to make employees feel like they are part

of the 'family' and use brainwashing techniques in training seminars to achieve this. Foreign companies mostly use these new managerial techniques. Commercial unions reported the relevant employers as being completely indifferent to employees' needs and pure exploitation to be the central characteristic of the work environment. The main source of profit is the client and the general public and this is always emphasized. The client has more power than the employee, even when the employee can be a client too.

*'.. we as a union always try to inform everyone – employers included – and we issue a booklet every couple of years that we send to all companies to inform them about the latest changes in legislation. So that they won't be able to use the excuse that they didn't know....' [Unionist, Interview 16]*

Smaller employers can influence the staff through informality, are rarely investigated and are not a source for much state income if fined. Sanctions and costs can be a burden for smaller firms, especially in the current adverse economic situation, but the low investigation and reporting rates still allow small local business to survive. When found out, employers know that they will be fined but can claim instalments. Also, they know that inspections do happen sometimes. The general outcome of the crime is loss of staff, fines, inspections and being targeted by the authorities, and acquisition of a bad reputation. The last is seen as very important, as it can influence the clients and market value and therefore the profits of a company. The local culture plays an important role in business behaviour:

*'..you can get a bad reputation – and especially for us the smaller businesses that operate in local markets – people talk about it.....other workers and employers know what is going on in your stores..You know...as a small business I have to compete with maybe about 10 other people, people that I personally know...so there are the bad gossips about someone in the local market..Nobody wants them though...they will create a bad name for you and not only could you lose good workers, you can also lose your customers. And you now that things like that are really valued in Greece. The customer does not want to know that they are giving their money to someone who is not a good and productive member of their community. ...You know, it is the Christian ethics we have all been brought up with...the local businessman cannot ignore them, ignore the local community..' [Business Owner, Interview 24]*

Informal relations in the locale can take form outside the work environment. This can influence relations of business managers and owners with local inspectorates and municipal authorities and corruption or state initiated and facilitated business offending is not unlikely. Corruption is a very serious issue for the business world and can take many forms. Nevertheless, it must be noted that it is not only businessmen who initiate such actions – for example, there is the phenomenon of reverse corruption where businessmen get targeted for exploitation or 'protection' money by

the state or by organised crime. Successful businesses are especially susceptible to targeting.

*‘....Corruption is a big issue in Greece, and it concerns the business world a lot. Business is where all the money is, this is the main target.....and then there is organized crime that can target you too and offer protection, there things are more dangerous.....So you see, a businessman has so many different issues to deal with, outside of the many he already has that regard the operation of his business...’*  
[Employee, Interview 20]

Moreover, there is also the role of small business as victim to organized crime. From the research results it seems that businesses were more often solicited as participants in organized crime than they were victims of it (Tilley and Hopkins, 2008; Hobbs, 2001). Smaller employers think that their weakened status serves no one. Concerning current legislation, they think it is not in the small businessmen mentality to think about such issues, with bigger businesses normally more attentive and effected. Employers see offences mainly as ways to cut down on costs. They have advisors to counsel them on relevant legislation and how to find loopholes in order to save money. Another trick employers use in order to avoid paying money for labour is to pretend they do not know about relevant new legislation. This way they can delay making payments.

*‘..I delay...I cannot do otherwise believe me....I have a thousand worries over my head, who to pay first and where to get the money. I do not earn as much money anymore, but still everyone demands their payment from me, and I also have my family’s expenditure too. That is why I cannot, not able to; pay all my expenses at once. So, my employees complain...’* [Business Owner, Interview 25]

As a final observation, the close distance of all above mentioned relations in the local sphere is the key element that shapes illegality. The permanent posts of local inspectors and their formal, informal and even deviant liaison with the local business owners, the familiarity and even personal relationships between employers, employees and clients and the shared cultural signifiers of the operation of business as included in the ethics of the community, structure the function of the local markets and work environments as much as structural economic political elements do. These same factors shape the illegalities in the local markets and their diffusion within it.

## **The experience of victimization at the workplace – unhealthy work environments and the role of the employee**

### Analyzing workplace victimization: The Impact of criminality

This project attempts to analyse the mass victimisation of the national workforce in Greece based on the definition of offences according to the criminal and employment law and show that this type of criminality is widespread in Greece. The most dangerous forms of victimisation have been overlooked by victimologists. Also, different forms of structural victimisation, those interwoven in the routine patterns of everyday life, as in the home and in the workplace, seem almost natural or at least a normal phenomenon: a kind of inevitable destiny of contemporary man (socially well adapted and useful to the system). This is a serious shortcoming, indicating a high degree of integration of established Victimology in the ideological complex of contemporary capitalist society (Kanduc, 1992). This notion is particularly true in the Greek case where business deviance supports system growth.

Karmen (1990) identifies the strands within Victimology as conservative, liberal and radical. The first is concerned with rendering people accountable. The second extends the conservative model into more types of hidden victimisation, mainly to white collar offences. The final one extends the focus further to all forms of human suffering. It focuses on the role of societal inequalities (lack of education, malnutrition, poverty) and their relevance to the problem of crime and additionally examines problems in the criminal justice system. Different forms of victimisation have to be placed in the broadest systemic context (political, ideological, economic and cultural). In brief, the forms of victimisation should be perceived and assessed from a perspective of the capitalist social order as world order (Wallerstein, 2004). The hidden type of this type of victimisation investigated here is of a peculiar 'hidden' nature, as invisibility to the system of controls does occur but the offences are never hidden as far as the work environments are concerned. Their existence is as widespread as they are common. But their identification from employees is not always easy, as well as their sharing with others and reporting them to the authorities.

Certain victimless crimes, mainly drugs and white collar offences that are difficult to examine and count, are commonly neglected. They have been neglected principally for the following two reasons: they challenge assumptions about who should be

considered a victim, and what should be considered victimization and they present a new and difficult set of considerations about the place and time of victimisation that helps contextualise current experiences of victimhood (Goodey, 2005). In this case, the national workforce constitutes the base of victims of this type of business crime as defined from the existence of paid labour within capitalism. But this suggests there are cases and groups of people who are more vulnerable to becoming victimised by employment offences and business crimes than others. According to Box (1983) power may itself determine that the crimes of the powerful have generally been excluded from public perceptions of the crime problem, thus, victimisation of the powerless may be understated. These are usually populations that include distinct characteristics, may have difficulty entering the labour market or do not receive enough security from legislation. Groups like that are women, older employees, part time workers and young people just entering the market. Issues pertaining to these groups will be explained in the next sections of this chapter.

Robert Elias (1993) has called for a link to be drawn between Victimology and concepts of human rights, with special attention paid to its victims. All of us are victimised by white-collar crime. Many forms of this victimisation, especially those involving the environment or the workplace, are usually defined as accidents or disasters and thus beyond human control. Additionally, victims of white-collar crime – when aware of their victimisation – may be blamed and accused of being greedy or self-interested when pursuing their case and the psychological suffering of those victims is generally different from that of victims of conventional crime. In one of the very few studies of the psychological consequences of white-collar crime victimization, Ganzini, McFarland and Bloom in 1990 (cited in Friedrichs, 1995), found that 29% of the 77 corporate victims suffered a major depressive episode in the 20 months following their loss, compared to only 2% of a control sample. The victim of a bank failure wrote of losing her job, her home and her husband as a consequence of fraud (Friedrichs, 1995). The highly diffused injuries of corporate violations produce scattered victims (Lea and Young, 1993). For employment offences, the widespread criminality promotes a mass victimization. Capitalist managerial techniques and structural transformations for the accommodation of the needs of capital incorporate the illegality as 'normal' business practice.

Connecting the analysis of victims with the other actors and relations involved in business offending, critical criminological perspectives assist. According to critical criminology, a good analytical tool in the investigation of crime is the square of crime:

the four corners of the square include the offender and victim on one side (actors) and the state and civil society on the other (re-actors) (Lea & Young, 1984). In this case, on the side of the actors business can be observed as the perpetrator and the employee as the victim. As in other cases of power imbalance, like the gender dimension, the stigma falls on the side of the victim. On the other side of the square we can find the social reaction to this type of deviance. At one point there is the reaction of the state which tries to regulate the situation through legislation and regulatory bodies. This official reaction is put in motion by the employees that report deviance and it is thus impeded from low reporting rates. This means that most of these offences remain in the dark. In the other corner one can find the societal reaction. The climate around this in Greek society is that of a general dislike of the situation in employment and the work environment but no real tendency to react formally to offences, along with widespread disappointment over the role of the state and over possibility of change. The term secondary victimisation (Lea & Young, 1984) has been used in order to describe re-victimisation that can be caused from the criminal justice system procedure. In the case of employment offences, secondary victimisation is normally found again in the work environment in matters of competition and the stigma that can follow employees who report cases in terms of how it can affect their future employment and career. The power to label behaviour as deviant arises partly from the unequal distribution of power within the state, and because the judgements carry the authority of the state, it attributes greater stigma to the prohibited behaviour (Quinney, 1974). In this case, the stigma remains with the victims and is still located in labour markets and work environments and not the official system of control or the offending organisations.

Lastly, in an effort to attempt a mapping of victimization, structural and societal concerns must be identified. The pyramid of capitalist society characterizes crime too as classes suffer disproportionately. Criminal or white collar victimization often compounds victimization from other social problems (Lea and Young, 1993). The working class is a victim of crime from all directions – conventional and white collar. Currently in Greece, the victimization of the workforce is widespread, its collectivity weakened and victimization affects all parts of the workforce, including both educated and uneducated employees. The distinction of blue and white collar workers has become blurred as the importance of industries and factories of the past gave way to corporations and stylish global and technologically efficient firms of the present. The exploitation is still the same.



### Who is the Victim? Social Harm and Vulnerable Social Groups

According to Lea and Young (1993) capitalism as a system creates inequality in order for its reproduction: the mythology of equality of opportunity in capitalism. Crime not a result of unemployment and poverty but of the perceived injustices and inequalities. Relative deprivation is endemic in capitalist societies. It is felt at all levels of the social structure and is a major spur for white collar crime. The above tendencies soar in times of economic crisis when larger numbers of people become economically marginalized through no fault of their own. The impact of the financial crisis on economic degradation and facilitation for more business offending has already been highlighted. In the need to further assess the impact of business crime and employment offences one must ask who its targets are.

The sense of insecurity, insubstantiality and uncertainty that prevails in late modern Western societies (Young, 2007) characterises Greek society too. Here, however, one can observe the distinct characteristics that place different groups in different 'fate' as far as being victimised in the workplace is concerned. The problem of certain groups of employees are distinct and need more investigation, but women, young people, immigrants and those close to retirement are facing extra pressure in an already criminogenic environment. Moreover, for certain groups like pregnant women and disabled people, legislation and welfare are minimal (Kravaritou, 2002).

Problems are intensified for young people, who are most affected by the gravity of the current economic situation. They are not familiar with the collective movements of past generations. This is an important factor, as it is they who can play a significant part in changing the current situation for the better and for their own interests. Whether people conform or not depends on the accuracy with which they perceive reality (Passas, 1997). Referring further to the role of younger generations within this phenomenon, the fact that the younger generations are indifferent to collective actions and employment legislations makes them unable to acknowledge offences, not knowing how to react to business crime. The situation for them is just the present situation; they are used to it and accept it as it is. They have never known anything else. There is a tendency for older and younger workers to have different jobs. Age differences can arise from two sources – one extrinsic to the nature of the job and the other intrinsic to the job itself. Personnel management decisions about selection, promotion, redundancy training and career development are of course all open to age stereotyping (Institute of Personnel Management, 1993).

*“...Young people have a different set of values, compared to other generations...Some may even find it natural to have to work ten hours per day. They seem to be indifferent to the situation. And I am not one of those that believe that when things get difficult, people tend to unite. This is not necessarily true, and in the case of our country...most definitely..” [Unionist, Interview 29]*

European guidelines followed for the development of the national legislation, within them an important dimension is the equality at the workplace. Women, who generally work most in flexible and part time employment in Greece, are usually paid 28% less than men and their rights are easily violated by employers. Women and younger or older employees have been defined as the most vulnerable populations of the workforce and they can be easily victimised, even consenting to their own victimisation (Koyzis, 2001). There is a lot of discrimination over insurance for pregnant women, medical tests, and illegal alternations of insurance contracts to avoid paying for accidents. The issue of sexual harassment is another relevant element that was first introduced in the federation and then followed in all collective contracts since then. Finally, unfair dismissals are a common practice as employers were bound by law to dismiss others rather than vulnerable social groups but this rarely ever happens.

One aspect of current global restructuring, and an element in social repolarization, is the trend toward weakening full-time proletarian labour and cutting labour costs by substituting forms of casual labour (Broad, 1995). There are strong indications that Fordist principles of work organization have remained quite prevalent (Vallas and Beck, 1996). Current trends in Greece favour such changes, but part time employment can also mean further offending behaviour concerning overtime and hours of work. The choice of non-standard work is usually influenced and constrained by external pressures, the most important of which are family commitments, retraining costs, age and disability discrimination, and the lack of availability of alternative work (Burchell et al, 2004).

*“.. What I mean, those that had a full time job.....their employer can tell them that I have decided to make you work on a part time basis but they normally still make them work more than these 20 hours a week, but they have lost the rights of the full time worker..” [Unionist, Interview 29].*

The existence of migrant work in Greece has increased both competition and illegal employment. Immigrants rarely care for employment rights and they are readily available to work. Regardless, it is they that constitute a large number of victims as they make up around 70% of the victims of business criminality, mainly within local business. The question concerning state intervention is how best to manage the

problem of disadvantaged groups rather than to eradicate disadvantage (White, 2008). Migrant workers are employed mainly in unhealthy work environments and the ones who are not legal suffer the most, because they get threats from employers that they will report them to the police and send them back to their country of origin or to prison.

After presenting issues on vulnerable social groups it is time to refer to the general role of employees in the criminogenic work environments and their participation in the occurrence of deviance.

### The role of the employee

The general notion that underlies the role of employees in deviance is that employees can feel pressurized by high unemployment and fear of losing their job, so they tend to conform and not report the offences. Those in prestigious jobs will also comply in order to pursue career advancement and promotions. Thus, they adjust to the current situation that employers have imposed and take the shortcomings of the work environment for granted. They do not believe they can change things and even perceive offences as petty difficulties. The qualitative differences of tensions and anomic strains are peculiar to all structural locations. Relative deprivation and increased demand for education have been significant and increased after the 2<sup>nd</sup> World War (Young & Lea, 1984). How can social class be an antidote and a contributor to deviance? It can be regarded as antidote when ambitions are shaped by membership reference groups. Then, in a type of society where class acts as barrier to ambition there would not be much strain. On the other hand, where it does present a barrier to ambition and goals which are universal, the strain increases (Passas, 1997). According to the above, and for the case of employment offences, reference groups must be seen as the companies employing people were the pursuit of a career and the existence of deviance can lead to strainful and mentally harmful situations. This strain then is additionally included in a possible reaction or not to deviance. A possible reaction can come in later in different formal or informal methods.

How employees do not acknowledge behaviours as offences and remain unaware of the current employment legislation and employee rights is a matter of the diffusion of ideology in the workforce. These offences are happening in large numbers, but because they are considered less significant there is normally no action taken.

Employees are not keen to report offences to the authorities and prefer an internal resolution of possible problems. This mainly occurs in order to present themselves as loyal to the interests of their employer so that they do not get dismissed. What they normally do when offences are affecting their everyday work environment seriously is seek alternative employment and leave that which is criminogenic. This is the prevalent understanding within the Greek workforce. Economic gain, an alternate job post or innocent type of offences would make them go the distance and report.

*“..but my mum and sister never reported their problems from fear of losing the job. They just started looking for something better. I think this is what most of the people do...”*  
[Employee, Interview 1]

Knowledge of legislation and employment rights is identified as a key weapon in employees' hands. Trade unionists and inspectors in common identify it as the beginning of a solution. Higher education graduates are most likely to react to employers' misbehavior. A key element for improvement is for the employees themselves to have a consciousness of all those issues, and how much social insurance and legal employment can make their lives better, so they will not try to avoid it themselves, in order to secure a job or to gain a higher salary.

*“...Most of the complaints we receive come from offices, big companies and the services. From employees that have a higher than average level of education, so are more aware and sensitive to such things. All other employees take their workplace conditions for granted. They don't know that things can be improved and that there is a special service in our unit that can help...”* [Inspector, Interview 12]

Especially in social insurance offences, the role of the employee is vital, as it is with the agreement of the employee that this offence can occur. The employee decides to agree not only because of pressure from the employer but because they tend to believe that the social security system is not really offering them anything in return. The role of the employee in agreeing with and tolerating deviance is important and the issue is more complicated than simply saying they are normally forced to tolerate transgressions.

*“....Now, the greater amount of evasion is voluntary. It happens with the agreement of the employee. An important role to this fact plays the low or minimal return from the system. The only point where people do believe that their money is worth while is towards hospital treatment and medical compensation. So, the motives are very powerful ...”* [Inspector, Interview 2]

However, for health and safety offences, employees must shoulder part of the blame, too - , many of them do not have knowledge or awareness of the issue and decide not to comply with regulations, putting even their own health at risk. The blame in

case anything happens lies solely with the employer. The employee him/herself is nowadays responsible for the maintenance of health and safety in the work environment but not liable when an offence or accident occurs. They too, count profit first, in the form of salary and benefits. Employers are willing to buy off their worries. They still see health and safety issues as extra pay and benefits. Employees on the other side would not use the special equipment for extra security and would only use it when the director was on the premises. They are often used to working in a certain way and find it difficult to change. Also they often think "Oh, it will not happen to me". So, if the employer provides but the employee does not comply, the blame is not on the employer.

The unhealthy smaller and stressful larger firms have created a work environment in Greece full of additional health concerns. Mental health issues are rife for working people in Greece, and the following words of a union member are extremely characteristic:

*"...We become overstressed and neurotic and our society is not normal, not human. People become like this because of the pressure that the system entails.....Adjustability is within the human nature. But there are certain limits to this. If you pull the rope too hard it will break.." [Unionist, Interview 15]*

*'...I would like to say something here about the people I manage. This goal setting...many employees cannot bear it. Many of them. For instance, in my branch, one third of people follow up with the goals very motivated and able but the rest of them try to follow with difficulty and with pressure from our side. But this is the reality of it, and we as managers cannot act in any different way about it. We are under pressure ourselves..' [Manager, Interview 5]*

*'..Employees are less likely to emotionally and mentally develop, develop in their careers, no matter how much training, because the working conditions are so negative they don't promote personal development..' [Manager, Interview 34]*

The extra pressure from the financial crisis and the deregulation of the previous system, especially as far as legislation is concerned, have added to the above factors during the last few years. This has enhanced opportunity and strain on business and has created further illegal and unhealthy situations in everyday life and work in Greece. Specifically, loss of finances and delays in payments together with longer hours of work are the frequent scenarios. This entails more harm to personal health and more financial strain and less family and personal life for the national workforce.

*'... I mean that, for example, in ST I know some people that have been working now for 6 months without pay. Meaning that they do sign in their hours but they have not actually*

*received any money, only promised. Things are difficult and people do not leave their jobs and they still see their employers as reliable since they are multinationals. Also, I have a friend in GD stores where they are pressurized with timetables because the company has dismissed many people now with the new laws and makes the remaining employees cover for any gaps in the timetables. They have been working 11 hours a day for more than two months now and they have not received payment for overtime...'* [Employee, Interview 37]

Within this adverse situation, it is once more the limited role of the collectivity of employees that acts as the added factor of the inability of workforces to deal more effectively with victimization at the workplace. The Americanization or Japanification of collective employment relations acts as a basis for the deregulation of the collective consciousness of the workforce. Individualized conditions and competition between employees weakens the bargaining power and the collective and class character of trade unions and replaces them as mere instrumental actors for resolution of individualized conflicts (Travlos, 1990; Cam, 1999). The issue of improper application of the collective contract is important for the unions and directly connected with illegal employment and insurance contributions evasion. Unpaid overtime and unpaid benefits are another issue that concerns the unions as is union busting and adverse working conditions with bullying and in some rare cases even physical violence. This weakening of the power of the national workforce is deeply rooted and can be identified in the way the national unionisation processes operate. Trade unionists will admit that unionisation does not operate as well or effectively in Greece as in other countries. People do not believe in unions anymore and tend to avoid participation in collective action. There is no common collective thinking and employees tend to adopt employers' views; increased competition facilitates this.

*"..And even if one of the employees does try to resist this tactic, he will first have to face his colleagues that will say: "Come on, this is our future, our bank, our bread.....". And this is the general climate that has been developed, from which the employer will benefit and all the rest will lose..' [Unionist, Interview 8]*

**In Conclusion: The 'normality' of business crime as a deliberate ideological decision of capital – Accumulation and overpowering by minimizing perceptions of harm and impact.**

On both a real and symbolic level, crime is a genuine problem for the population and in both conventional and white collar types produces amounts of harm and loss as it is always connected to the capitalist world order (Lea and Young, 1993). Currently in Greece, the neutralization and negation of the impact of business crime comes under

the cover of the 'normality' of this type of deviance. The employees who participated in the study have noted the following: they view criminality as the general 'policy' in the work place and are afraid to react to it.

To the extent that the economy dominates other institutions, cultural messages that imbue the means of social action with moral significance lack institutional backing. Under such institutional conditions, the ethic of anomie will tend to emerge leading in turn to high crime rates (Resenfeld & Messner, 1997). Cultural issues play a significant part in transmitting techniques of deviance in local markets and the current economic strain produces the opportunities and motivation for crime. The policies of neoliberalism and globalisation contribute to processes which lead to global anomie, dysnomie, and, ultimately, economic misconduct. They do so by activating the criminogenic potential of economic, political, legal and cultural asymmetries. These asymmetries cause crime by generating motives for actors to take advantage of opportunities, and weakening social controls (Passas, 2000). In this case, the imbalances of power reinforced by financial strain have promoted more deviance and modern political choices have contributed to blurring the borderline of what is legal.

In the above framework, concepts of victimisation and harm are abandoned for the sake of economic development and financial stability. But the impact of crime seriously affects health, financial well-being and quality of life matters. The symbolic significance is even graver as the minimisation of harm and impact and the enforced perception of normality of illegal business behaviour sends out the wrong message to working people and the new generation of employees. And this, of course, is deliberate. The need of the national state and capital for resources and power entails their disposition to dominate the masses and incorporate the national workforce into a climate of strain and deviant practices. These practices aimed at supporting hegemony and capital create unhealthy conditions to work in and the effects can easily lead to public reactions, as the crisis and austerity measures have. The combat of those reactions and of collective movements is necessary at the moment for the system to survive and fulfil its dominance needs. The dominant ideology, by assuring the practical incorporation of agents in the social structure, aims at the maintenance (cohesion) of this structure, and this means above all class domination and exploitation (Poulantzas, 1976). In this way, employees in modern Greece are incorporated in the social reality of the current work environment in order to support business interests and in this way, class domination in modern Greece is reproduced at the everyday level of work and business.

Cultural and economic, political and ideological factors can be seen as causes of criminality and modern Greece's difficult situation in the social sphere. Relative deprivation and marginalisation of business and households completes the picture of deviance. The extension of democracy is a firm foundation of economic development that works positively for the amelioration of criminogenic conditions (Lea and Young, 1993). The current measures do not follow this path and thus the harm and impact of crime increases.

### **Overall Conclusions: Blurring the boundaries of illegality by political choice - Providing answers to the research questions**

Durkheim, who claims that social facts must be explained by other social facts, attempted to establish the relative autonomy of sociology as a discipline and present a convincing case for the impossibility of reducing social phenomena to psychological or biological facts (Mouzelis, 1991). In this framework, this study was an attempt on a sociological and criminological analysis of business crime, as it has been occurring in Greece, focusing on offences by third sector companies over employment legislation.

The importance of carrying out this project was identified in the national and the international literature, aiming to partially fill a gap on methods and understanding concerning an under-researched topic and a serious social problem in Greece. The analysis focused on the micro as well as the macro levels, not neglecting the everyday experience of the work environment in favour of structure and the agency. Tonry and Reiss (1993) have defined business crime research as that which focuses chiefly on specific cases of organisational actors and big names rather than sectors and patterns of violation. In response to this critical remark, this study tried to offer insight into everyday experiences rather than examining striking cases of deviance. In critical criminology, the fundamental concern of a critical analysis is power: who is speaking and who is heard? (Cassell & Symon, 2006a). In the same notion of lived experience and cultural dimensions, the study was interested to hear employees implicated rather than examine only the official response to the phenomenon.

Below the set of research questions the project addressed is presented together with the findings that offer answers to the questions. These describe in more detail the



domains that the research focused on in order to clearly identify the role of imbalance in power and relations and its role in business deviance and employee victimisation.

### The role of power and relations in the analysis of business offending in Greece: A critical criminological approach

“How can the occurrence of business crime over employment legislation in Greek third sector companies be analysed under a marxist critical criminological scope with focus on the role of power and relations imbalance?” This is the main research question of the study aiming to identify the key issues of imbalance in power and social relations that characterise this serious employment issue and social problem in Greece.

Critical criminology argues that crime disproportionately affects working class people, such as robbery, assault, burglary and rape (Lea & Young, 1984). This study has underlined the white collar victimisation of the same group of people, which is more widespread than conventional crime – a kind of victimisation that is once again embedded within everyday life but also focused on employment, thus production and class relations: the ‘legal’ part of the economy.

Marx believed that the human species not only produces itself through the process of social labour but also reproduces itself through the institutionalisation of their relations of production. For Marx therefore, production is reproduction (Dahrendorf, 1979). Life chances are the moulds of human life in society; their shape determines how and how far people can unfold. E.P. Thompson (1991) claims that the possibility of material social interaction in the world, in the form of production or otherwise is dependent upon its organizing concepts and expectations. Thus, the notion of production has been formulated to incorporate the self-formative activity of human actors in the light of mutually intelligible concepts and expectations. The above definitions and importance of employment, production and self-development highlight the importance of work environments and working conditions for the population. And into the sphere of employment and production, relations and power imbalances are the elements that shape the work environments and the deviance found within them in many ways: structural, collective, inter-personal, formal and informal.

In the framework of the national economy, the strainful climate of the current financial crisis and the elements of business practice and the lived experience at the work environment, the imbalances of power of related actors was evident together with the special role of the state in regulating the phenomenon and in providing social consensus. Furthermore, the specific relationships, of formal and informal, legal and illegal nature, that have been shaped in between the related actors – that shared their knowledge and acted as participants to this study – characterise the specific nature business offending has developed at the national level. Corruption, clientelism and the deviant role of the State the one face of the phenomenon. This 'dark' side feeds illegality with the co-operation of the system of control, where state officials can participate or facilitate the offences committed for power and resources. According to Lasslett (2010) the social relationships and processes that structure everyday interaction, and are not immediately obvious, are very important in the investigation of state corporate crimes, and this is especially true in this case. Employees that have been in contact with such phenomena in the system of business crime control have additionally verified this. The other side of the analysis of the phenomenon refers to more formal approaches used by the system of control and are presented in the following two sections. Further relationships that influence the phenomenon and its regulation is the difficulty in the co-operation in between unionists and employment inspectors, and the mistrust employees hold for both these groups regarding their effort to deal more effectively with cases of deviance.

### The influence of structure: Blurring the boundaries of illegality

Deviance is a symptom of the social structure, according to Merton (1957, 1967). In this case, business deviance is directly connected with the current condition of the national economy and society as viewed by, not only the criminological, but the wider sociological scope. In this framework, it is important to offer insight into ways of answering the next question of the project: What are the structural factors that can influence this type of deviance?

Crime is a potent symbol of anti-social egoism which permeates the totality of behaviour and values within capitalism (Lea and Young, 1993). Structural elements have been identified to play a significant role in the formation of the national economy, policy and legislation and the development of the trade union movement.

All these factors play a part in the operation of national business in a small scale economy that creates strain and opportunity for deviance. Here, the formal approach of the state in an effort to regulate business illegality can be connected to the legislative and policy dimensions. Legal categories are derived from the power that underlies and constructs social reality and our views of that: a power veiled and masked (Evans, 1995; MacKinnon, 1987). Greek society, is a capitalist society, and since it is class relations define the relationship between employers and employees. The power capital yields can influence political and policy choices and, in the same way, influence legislation. Democracy can be thus viewed as a competition between elites. This conclusion is very significant as it shows the power and connections between modern elites and how they can define behaviours as legal or illegal (Bottomore, 1964).

The main character of employment laws since 1992 has been one of promoting entrepreneurship and business growth. The hard gained rights of social security accorded in previous decades in parallel with the growth of the industrial mode of production has been declining in order to serve the needs of national capital competing within the EU common markets since the early 1990s (Palaiologos, 2006). The situation has taken a downturn with the occurrence of the latest financial crisis. State income suffered and new measures were introduced to combat tax evasion (Carasavva, 2010), but its application is largely intended to support state income rather than improve working conditions and control business crime. This fact falls under the scope of the economic versus social regulations, a debate that has been identified from many researchers at an international and European level (Ponsaers, 2002). The promotion of state income and the regulation of competition are always given priority over social justice. On the other hand, employees cannot provide enough collective power and bargaining since unionisation is distrusted and limited, especially in the smaller units of the third sector of the economy. Flexibility and deregulation continue to be promoted where state income is not at stake, according to arguments on a distinction between economic and social regulation, whereby certain forms of regulation are accorded greater legitimacy than others. The bigger picture of the struggle of classes as it has been formed in modern times in Greece is the vaster structural element that nurtures these offences and can influence the environment where these offences occur and prevail as permanent parameters of everyday working life in the country. In a country with a weak and ineffective welfare state, where social cohesion has been maintained through inter-generational

transfers and other informal forms, the austerity measures will make such forms of social solidarity all the more difficult (Carasavva, 2010).

In Greece, the total power of business and the deregulation of the economy are paramount. The role of the state was to act as guarantor of this hegemony but now, after the current crisis, the state is trying to reclaim the hegemonic role from national business in order to salvage the economy. Thus, current measures function to promote state power that was taken from business rather than promote equality for labour. This serves to shift the pressure created from the current crisis from capital back to labour, as what capital is losing now in profit from the financial situation and from state imposed austerity measures is pushed onto labour via methods of employment cost decrease - through legal or illegal ways. The recent restructuring of the legislation has only made legal what was previously illegal business practice.

#### The nature of the regulatory system: Shaping the system of control via political choice

The political has been identified in theory to play a pivotal role between the power imbalance between classes; employers and employees. Political practice is where relations of different contradictions finally fuse, relations that specify the unity of the structure (Poulantzas, 1976). Thus, the main role of the state is to act on class relations (Poulantzas, 1976). This pivotal role of the State is expressed by employment laws, the state regulatory system and monitoring of employment and employment relations and its other ideological mechanisms, especially education and culture. These all play an important role in shaping the moral, regulatory and legislative framework of managerial control and satisfaction of the needs of national and European capital (Koskinas, 1995). In the above climate, let us try to answer the next question: What is the structure and function of the regulatory system and how does this influence business crime and its control?

This study was able to show that offences concern most practices defined by the law, from health and safety to hours of work, benefits to overtime and days of annual leave. Thus, Greek employers tend to bend every part of employment legislation (even avoiding social insurance contributions, which is strictly condemnable as it influences state income) mainly based on the fear of employees and the inadequacy or corruptibility of the state.

Summarizing the investigative and prosecuting procedure of business offenders in Greece, an overview should start with presenting factors influencing reporting levels and consequently the dark figure of this type of deviance. Any offence reported carries the risk of the employer's reaction, which is normally dismissal and/or public punishment/ humiliation within the work environment to discourage others from following the same path. This creates a factor of fear that hinders employees from claiming their rights. Distrust in the unions and authorities due to corruption leads to the same result, as well as the difficulty of finding a new job after being stigmatized as 'disobedient' or a whistleblower.

The relevant regulatory authorities will always take matters seriously when an employee reports a case, but their lack of staff and expertise makes it impossible for them to discover more cases and grasp a part of the hidden number of occurring offences. The funnel of criminal justice procedure can be observed in business crime as well: the cases that enter the system are far more than the ones reaching court and conviction. Loopholes in legislation keep conviction rates low. The easiest cases to convict are the ones of social insurance tax evasion, because it concerns state income, and health and safety related offences because they are very evident and difficult to hide. The end of the line for a criminal prosecution is usually a fine, but for some adverse cases imprisonment or closure of business are also existing possible sanctions.

One can underline the importance of the role of the state as regulator and the legislator. The inspectors and public officials who took part in this fieldwork promote the idea of their organizations functioning better and being able to discover and prosecute more criminals but the beginning of improvements in this area has to start from the government and legislators. As the current situation stands, such a development is not expected, as the legislation changes in favor of business and economic growth and allows previously illegal actions to become legal and accepted economic behaviour. The data do not have significant meaning in themselves, the purpose of the analysis is to make transparent the false consciousness and ideological distortion (Willis, 2007). In this light, the perceived 'normality' of business offending stems directly from the political choices made by the state in order to promote capital, recently offered the name of 'combating the national financial crisis' policies, influenced additionally by EU and international traits.

### The invisibility and power of the third sector: The widespread character of the phenomenon

The next relevant research question refers to the extent of the phenomenon: What is the extent of business crime of financial and commercial services in modern Greece over illegalities on employment legislation?

Official statistics that have been included in the study provide an unclear and incomplete picture of the phenomenon. Not only is it true that the commerce and services sector are no less criminogenic than others, but they are the most unregulated, informally operated and criminogenic of all sectors. The authorities fail to control this and this is why their statistics cannot provide a reliable description of the reality. Thus, official statistics only represent the operation of the organization that has produced them.

By examining data – both qualitative and quantitative - it was clearly discernible that the majority of cases forwarded to the system refer to commercial rather than financial services. Comparing the numbers of cases of complaints and those that actually reach the courts, a great divide exists. People tend to drop cases or reach an out of court and out of system settlement with their employer when they can for faster and less expensive resolution of their case. The financial services sector might be larger and thus easier to inspect and detect but their economic power makes them difficult opponents in any court case. Their resources also mean they have access to the technical power of lawyers and accountants to identify loopholes in laws and avoid detection and prosecution. In the climate of the recent financial crisis and the increase of business illegalities, the state has produced legislation targeting the financial sector and the banks (INE, 2010).

Now, to answer the research question, it is important to say that the extent of business crime in the third sector of the Greek economy is vast as it is widespread amongst all smaller or larger businesses that tend to make profit, combat their competitors and avoid financial strain by exploiting their workforce. Connected to Mars' (1994) theory of the dualism of the global economy of a controlled and regulated industry and unregulated and small scale/informal but growing services sector, it could be noted that Greece presents the ideal example. Since the de-industrialization of Greece in the mid 1970s, the services sector dominates at national level and chiefly consists of small and medium sized units (Spyropoulos,

2000). The one difference noted is that in Greece, larger units will offend as well (for example the banking sector) based on their powerful status which enables them to influence the workforce, the law and the system of control.

### The social reality of workplace victimization and illegal business practice

The next question in need of an answer refers to the experience of victimisation at the workplace: How is the culture of the work environment and Greek business practice contributing towards employee victimisation and offending behaviour?

The work environment itself is the direct outcome of the multiple offences occurring. It is a culture of intense pressure and intimidation of the workforce in commerce and indirect (managerial definitions diffused, promise of a career) but equally intense for the financial services. All structural factors (vast unemployment, deregulation, legislative change, the state authorities' corruption and inadequacy) provide the basis for the existence and continuity of this criminogenic state. The size of company can affect the employer's behaviour, as larger units are more formal and also afraid of public opinion since the public is their customer and thus source of profit. In smaller units, informal and interpersonal relationships prevail, and invisibility characterizes deviant practice as far as the system of control is concerned. There, intimidation, bullying and in some rare cases even physical violence can be found.

Employers in both the public and private sector are convinced that it's too expensive to regulate or pay 'decent' wages and benefits. The requirement to compete in the global market is to roll back such demands. They are also convinced that government regulatory structures are inefficient and counter-productive. It is evident how little fear employers have of any punishment for employment offences - especially financial firms with all their power and strong connections with state and private actors. Insecurity usually rests with reporting employees and not employers. There is no stigma attached to business crime that is perceived by the regulating authorities as part of the function of the national economy and markets.

Lukacs (1971) argues that the constitution of classes is not related to the economic level alone – political and ideological factors play a part also. The relations between the dominant ideology and the dominant class are always masked. This particular remark has been very important for this study. As already identified, managerial /

business definitions are usually promoted to the members of the workforce in order to incorporate them into their predefined role within the corporate profit structure. However, ideology only serves to distort real class relations (Poulantzas, 1976).

The role of the employer and the employee and the relationship of the two are imperative factors in business deviance. The employers prefer to keep their staff uncertain about their jobs and the future and where there is a conversation around offending behaviour, employers either make efforts to keep things internal and quiet (financial sector) or intimidate and even threaten the workforce (commercial sector).

Employees will normally tend to conform to the business environment they will find and will avoid creating any problems. Job insecurity and each person's personal characteristics play an important role. Moreover, employees are not always aware of the legislation and cannot always acknowledge behaviors as offences. The employees of the financial sector are more protected from this than employees in commerce because of their usual higher educational level, even though age seems to be another element that creates a difference. Younger employees are more likely to conform due to not being able to identify the offences, being career orientated and unfamiliar with the previous era of class straggles and the civil rights movement, normally adopting their employer's views as their own. The role of the different interests and dominant ideology are imperative influencing factors.

#### The impact of criminality - The paradox of business illegality in Greece: Mass victimization and the symbolic 'normality' of business deviance

On both a real and symbolic level, crime is a genuine problem for the population and in both conventional and white collar types produces amounts of harm and loss as it is always connected to the capitalist world order (Lea and Young, 1993). Utilizing this notion, it is interesting to answer the last question this project poses. What kind of social harm can this type of deviance produce?

Capital is trying to create and diffuse in Greek society a new definition of work and a social construction of the work environment. Intense competition and pressure, fear and intimidation are perceived as the normal requirements of what it is to work in Greece in current times. The general workforce is perceived as powerless before the extent and effect of the phenomenon. Labour is losing ground in legislation and collective representation as unions are not supported nor trusted. The victim, rather



than the perpetrator, is the one who is stigmatized and suffers the adverse effects not the perpetrator. Finally, the work environment in Greece has been constructed to be one of 'modern slavery' with fear, intimidation, long unpaid hours and illegal employment being the basic characteristics. Occurrences of business deviance are desirable from the employer's side since they can profit more, and second that it is allowed to happen from the state and employees that fail to recognize, report, investigate, control, prosecute, convict and condemn it. It is normally viewed as an effect of economic strain which is undesirable but unavoidable, rather than a form of multiple victimization.

The current state of low unionisation undermines the political power national employees have for a collective reaction to the problem, thus state reaction is the only remaining reaction to business crime. Ideology and force are employed by capital in order to incorporate the labour force into this criminogenic work environment. The higher educated employees of the financial sector are normally incorporated into corporate structure through ideological mechanisms and the standard educated employees of the commercial sector face intimidation and even verbal or physical abuse in order to comply with the existing work environment.

The general picture of the national business world is shaped by the elements of rational choice to deviate for profit and neutralisation techniques in order to stay in the 'game' (Sykes and Matza, 1957). Strain and anomie can also push employers towards more deviance along with, of course, the power they have in their hands together with relative freedom from labelling and stigma. On the other hand, the Greek working class is not only exploited, according to classical Marxist terms, but also repeatedly victimised, as defined by employment legislation. Under this notion of the law, but the one of social harm as well, one might even talk about the character of relations of production in modern Greece to be not only of an acute exploitative but also criminal nature.

In the above framework, concepts of victimisation and harm are abandoned for the sake of economic development and financial stability. But the impact of crime is seriously affecting health, financial well-being and quality of life matters. The symbolic significance is even graver as the minimisation of harm and impact and the enforced perception of normality of illegal business behaviour sends out the wrong message to working people and the new generation of employees.

## Final conclusion and outcome of the study

Social researchers examine the social world in order to offer insight into a variety of social phenomena and problems. This way, they can enhance scientific knowledge and understanding of the world, inform society and relevant audiences and moreover contribute to the improvement and progress of more social justice and democracy.

Within the general above-mentioned framework, the role of the criminal justice system and criminology can be defined as restricted. Foucault has coined the term 'anti-criminology': the profession of criminology which is not there to solve the problem of crime but to extend and organise power and surveillance. For him, power is everywhere and works its way through discourses (cited in Carrabine et al, 2009). As defined in sections of this thesis, criminological discourse over business crime in Greece is poor and under-developed in terms of actual research conducted and the academic discipline of criminology is still not widely accepted as an autonomous field of study and does not exist as a separate department in any university in the country.

This study has produced knowledge and methods for future research as it has combined the quantitative and qualitative dimension and investigated a complex of all related actors involved in this type of deviance. The realisation of this project adds knowledge in order to try and partially fill the gap in existing research in Greece and contribute to this, normally under researched topic, at the international level. Finally, the project has produced added value in the effort to inform policy and practice over business crime and employment offences regulations in Greece.

The policies of neoliberalism and globalisation contribute to processes which lead to global anomie, dysnomie, and, ultimately, economic misconduct. They do so by activating the criminogenic potential of economic, political, legal and cultural asymmetries. These asymmetries cause crime by generating motives for actors to take advantage of opportunities, and weakening social controls (Passas, 2000). In this case, the imbalances of power reinforced by the financial strain have promoted more deviance and modern political choices have contributed in blurring the boundaries of what is illegal in order to salvage state budgets and national capital. Specifically, it has been important to research social phenomena as they occur in specific societies and through time, in order to understand them. The significance of this claim, in terms of historical materialism, can be applied to this study. In this case, it was identified how labour exploitation can become victimisation and how

employment relations can become criminal. The specific elements of this type of deviance as they have developed within the national culture were also highlighted. The key explanatory focus was still 'classical' critical concepts of wealth and power within society and their unequal distribution between agents. The concept of injustice was prevalent and its important role in social life was coined before Marx. Aristotle (*Politics*) saw the tensions in democracy caused by divisions of wealth and status. One of his fundamental theses said that in situations of economic inequality, democracy tends to become extreme bureaucracy, to expropriate the rich. Aristotle considered this the height of injustice (Carver, 1991).

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## **APPENDICES**

## INFORMATION SHEET

### **Name and address of the Researcher**

#### **Ioanna Charalampous**

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### **Title of research**

Corporate Crime Against Employees in Greece.

### **Aims of the Research**

This study is aiming to investigate the contours of corporate criminality in the Hellenic employment environment. Existing statistics, together with the experiences of the local employees and their official union representatives as well as specialized inspectors will act as informants. The consequences of this phenomenon and its explanation will be an important goal.

### **Why is this research been carried out?**

This research is being carried out in order to obtain a PhD and sections of the research will form basis for presentation at conferences and for the production of academic papers. Additionally, there may be publication of these papers from relevant academic journals.

### **Who should take part in this study?**

Employees working at the third sector of the economy in Greece that have been victimized from this type of criminality and their official representatives in trade unions. Additionally, inspectors of this type of crime from the relevant public sector organizations and managers of third-sector companies.

### **Brief biography of the researcher**

The researcher has been educated in Greece (Panteion University) and Britain (Middlesex University) in the topics of Sociology and Criminology, both in undergraduate and postgraduate level. Has worked in research in the social policy projects of the European Commission in Greece and in the Social policy and Health sector of public policy in Britain.

## INFORMED CONSENT FORM

This Consent Form is to check that you are happy with the information provided about the research and that you wish to take part in this study.

Prior to the interview taking place:

- Have you read and understood the information about the research?  
YES / NO
- Do you understand that you are free to decline to answer any question?  
YES / NO
- Do you understand that you may stop the interview at any time?  
YES / NO
- Do you agree to take part in this research?  
YES / NO
- Do you agree to allow the interview to be tape recorder for purposes of saving and analyzing the data?  
YES / NO

Following the interview:

Do you understand that you are free to give any feedback or comments about the interview at any stage?

YES / NO

**Any comments?**

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A summary of the research will be available once the project is completed. If you would like to receive a copy of this summary, please provide an address or email address below:

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## **TO BE READ OUT TO ALL INTERVIEWEES**

- This research is not linked to any agency
- This research is being carried out to obtain a PhD and sections of this research will form basis for presentation of papers at conferences and for the production of academic papers. It is also hoped that this study will lead to publications from academic journals.
- Participation in this research is completely voluntary, and your consent is sought through completing the consent form.
- The interview will be recorded for analysis purposes, unless other arrangements are requested.
- You are free to decline any questions and may stop at any point during the interview.
- After the interview you are free to communicate further or make comments at any stage.
- A summary of the research will be available once the research is completed. If you wish to receive a copy please provide an email address for this to be sent to.
- The English language text just below the Greek language text at each page is the translation of the Greek text, and it is there for just translation purposes due to the current research project being undertaken by a British university.

Thank you very much for your co-operation !

## APPENDIX 2: INTERVIEW GUIDE

### **Business Crime in Greece – Employment Offences in third sector companies**

**IOANNA CHARALAMPOUS**

#### **INTERVIEW QUESTIONS:**

##### **KEY QUESTIONS TO EMPLOYEES:**

- What type of corporation / company are you working at?
- What occurrences of corporate crime have you come across where you currently work?  
(Define: offences committed by the company, especially concerning the company's responsibilities towards the employees)
- Have you ever been a victim of this type of crime? If yes, can you describe what happened?
- What did you do about it?
- How was it dealt with?
- What was the legal outcome? If any?
- Has this crime had any effect on your working conditions? Explain?
- Has this crime had any effect on your career? Explain?
- Was it hidden or a common knowledge of the employees and managers? And what effects did this have?
- Do you believe that these offences are common or scarce? Why? Why not?
- Have you observed any connection of this type of offences with the function of the economy or with the illegal economy?
- Would you find it easy to report an offence against you? Why? Why not?
- Would you be able to distinguish illegal behaviour at your workplace? How, please explain?
- Do you believe that this type of crime is dealt with properly within the companies themselves? By the relevant authorities? By the state? Why? Why not?

- How do you view your responsibility towards the company you work for?
- How do you view the responsibilities the company have towards you?
- How do you view the overall work environment in Greece?
- What do you think are the values a good work environment should have? A good manager?
- Do you think there are problems in the current legislation? If yes, what are these problems? And what is their effect on the current situation?

#### **KEY QUESTIONS TO TRADE UNION MEMBERS:**

- What type of employees do you represent? What are your main duties?
- Have you any knowledge on corporate crime (define) against employees in your line of employment representation? What types of corporate crime have you come across?
- What are the main offenses that occur?
- What are the main effects of these offences?
- Have you observed any connection of this type of offences with the function of the economy or with the illegal economy?
- How do you get informed of any criminality? What is the official response to this? Do you keep any records? What could be done to improve your system?
- What are the main problems that derive from these offences? Are they dealt with properly? Why? Why not?
- What do you think are the main issues that concern people that fall victims of corporate crime in Greece? What do these people actually think that you could do to help?
- What are the problems in detecting these offences?
- What are the problems in prosecuting these offences?
- What are the problems in punishing these types of offences?
- How could you improve any type of relevant problems?



- Do you think that the officials and inspectors properly deal with this type of crime? What about the state? By the companies themselves? Why? Why not?
- Do you co-operate with any of the above in order to find an adequate solution? Is the main way formal or informal? What effect does this have?
- Do you think there are problems in the current legislation? And how do they affect the situation?

#### **KEY QUESTIONS TO INSPECTORS:**

- What are the main duties of your work that involve detecting and resolving corporate crime cases?
- What kind of issues have you observed to be involved in third sector companies offences, according to your knowledge and experience?
- What types of employees are more likely to report this crime to your organization? Why are these employees more likely to report?
- Are there any informal issues involved in reporting? Or prosecuting?
- What is the legal outcome of these offences?
- What are the problems caused by this crime? What is their cost?
- How do managers/ owners or companies react in an instance of a formal complaint? What about the employees that bring them forward?
- What are the specific characteristics of the criminality of third sector companies?
- Have you observed any connection of this type of offences with the function of the economy or with the illegal economy?
- Do you think there are problems in the current legislation? And how do they affect the situation?
- What are the problems in detecting these offences?
- What are the problems in prosecuting these offences?
- What are the problems in punishing these types of offences?
- How could you improve any type of relevant problems?

- Is this type of criminality being dealt with successfully? What could be done to improve this?

#### **KEY QUESTIONS TO MANAGERS:**

- What type of company do you manage / own?
- How many employees do you employ?
- How do you view the company's responsibilities towards the employees? and them towards the company?
- What qualities do you think a good employee should possess?
- Have you ever had any official report against the company in matters of employment law violation? What was the occurrence and how was it dealt with – why did it happen – did it have any effect on the company's future actions towards the employees? Did you have any legal implications?
- Do you have any official procedure to secure these offences from happening to your company? Can you describe this?
- What would be the legal, financial or other cost (direct and indirect) of your company being reported as an offender?
- How criminal do you think are corporations in Greece – explain.
- What is your company's attitude towards the above environment?
- Why do you think corporate crime in Greece occurs? How would you explain it, from your experience?
- What do you think is the role of the state in dealing with corporate crime? What is the role of the unions within this matter?
- Would you be willing to sacrifice a part of your profit in order to combat this type of criminality? Why? Why not? What amount would be fair?
- Do you think there are problems in the current legislation? What are these? And how do they affect the situation?

## APPENDIX 3: LIST OF PARTICIPANTS

### INTERVIEWEE PROFILE DATA

No	Type of Informants	Gender	Age	Education	Position
1	Employee in Insurance Firm	F	30 - 35	University	Contracts Manager
2	Inspector (Social Insurance)	M	50 - 55	Secondary and Technical	Senior
3	Inspector (Social Insurance)	F	50 - 55	Secondary and College	Senior
4	Inspector (Social Insurance)	F	50 - 55	University	Senior (Team Co-ordinator)
5	Bank Manager	M	50 - 55	University	Branch Director
6	Bank Manager	F	50 - 55	University	Branch Director
7	Employee	F	25 - 29	Secondary	Assistant in local shop
8	Union Member (Employees of Hellenic Banks - OTOE)	M	35 - 40	University	General Secreteriat
9	Inspector (Social Insurance)	F	45 - 50	University	Specialization in collection of fines
10	Inspector (Social Insurance)	M	45 - 50	Secondary and Technical	Specialization in collection of fines
11	Branch Manager	F	30 - 35	Secondary and Training	Super Market chain
12	Employment Inspector	M	45 - 50	University	Senior and Representative of the Union of Inspectors
13	Health and Safety Inspector	F	40 - 45	University	Senior / additional authority in Publications-Library and Events of the Institute for Health and Safety at Work
14	Union Member (The Hellenic Union of Accountants)	M	55 - 60	University	President (elected) of Union
15	Union Member	M	50 -	University	Associate President

	(The Hellenic Union of Insurance Sector Employees)		55		
16	Union Member (The Hellenic Union of Employees in Commercial Services and Private Sector Employees)	M	40 - 45	Secondary and Technical	Secreteriat
17	Employee	F	30 - 35	Secondary and College	Commercial Services Firms
18	Employee	F	25 - 29	Secondary, College and Training	Bank Clerk
19	Employee	F	25 - 29	Secondary	Cashier in Super market chain
20	Employee	F	30 - 35	Secondary	Cashier in Supermarket chain
21	Employee	M	30 - 35	Secondary	Employee in admin. Department of Insurance Firm
22	Employee	M	25 - 29	University	Bank Clerk
23	Employee	F	30 - 35	University	Bank Clerk
24	Business Owner	M	50 - 55	Basic	Local Shop (furniture)
25	Business Owner	M	45 - 50	Basic	Local Shop (automobile)
26	Business Owner	M	55 - 60	University (MPhil)	Owner of Financial Consultancy
27	Employee	M	35 - 40	Secondary	Sales department of Commercial Firm
28	Employee	F	30 - 35	Secondary and College	Sales department of Commercial Firm
29	Union Member (PAME)	F	45 - 50	University	Secreteriat Team
30	Union Member	M	40 - 45	University	PAME (Trade Union Front)
31	Employee	M	40 - 45	Secondary	Sales department of Commercial Firm
32	Business Association Member	F	50 - 55	University	Research/Publications Management Team

	(Local Association of Commercial Enterprises of the West of Athens)				
33	Health and Safety Inspector	M	45 - 50	University	Inspectorate Team
34	Bank Manager	M	45 - 50	University	Branch Director
35	Employment Inspector	M	50 - 55	University and Training	Senior
36	Inspector (Social Insurance)	M	45 - 50	University	Inspectorate and Department of Statistics
37	Employee	M	40 - 45	Secondary	Sales department of Commercial Firm
38	Union Member (Employees of Hellenic Banks - OTOE)	F	40 - 45	University	Publications Team
39	Union Member	M	40 - 45	University	PAME